

# NATIONAL CONSUMER PRICE INDEX (NCPI)

## May, 2021

21 June 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 May 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 May 2021 was 143.6.
- The overall rate of inflation as measured by NCPI on Year-on-Year basis is 6.1% in May 2021.
- The moving average inflation for the month of May 2021 is 5.4%.

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### Source Publication

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

statistics.gov.lk

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

The NCPI for all items for the month of May 2021 was 143.6. An increase of 1.4 index points or 1.0 percentage compared to April 2021 for which the index was 142.2. This increase represents increase in expenditure value of Rs. 433.89 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 (%)		
	May 2020	Apr 2021	May 2021	May 2020	Apr 2021	May 2021	May 2020	Apr 2021	May 2021
<b>All Items</b>	135.4	142.2	143.6	200.01	38.48	433.89	0.46	0.08	0.95
<b>Food and Non Alcoholic Beverages</b>	139.0	150.8	153.3	210.57	9.22	359.39	0.49	0.02	0.79
<b>Non Food</b>	132.6	135.5	135.9	-10.56	29.26	74.50	-0.02	0.06	0.16
Housing, Water, Electricity, Gas and Other Fuels	127.8	127.9	128.2	0.00	0.00	16.08	0.00	0.00	0.04
Furnishing, Household Equipment and Routine Household Maintenance	130.4	135.0	136.0	1.29	4.59	10.90	0.00	0.01	0.02
Health	163.5	163.6	167.2	0.00	0.00	47.27	0.00	0.00	0.10
<b>Other Groups</b>	<b>131.5</b>	<b>136.3</b>	<b>136.3</b>	<b>-11.86</b>	<b>24.67</b>	<b>0.25</b>	<b>-0.03</b>	<b>0.05</b>	<b>0.00</b>

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 May 2021, details on which are given in Table 02.

Note 2: For the May 2021, insignificant group: ‘Alcoholic Beverages, Tobacco and Narcotics’, ‘Clothing and Footwear’ and ‘Miscellaneous Goods and Services’ and unchanged groups: ‘Transport’, ‘Communication’, ‘Recreation and Culture’, ‘Education’ and ‘Restaurants and Hotels’ are considered as the ‘Other Groups’.

### Contribution to Month-on-Month Changes:

Contributions to the NCPI on Month-on-Month basis (May 2021 as compared to April 2021) are given in Table 02. The month-on-month change was contributed by increases of index value of food items by 0.79% and non-food items by 0.16% respectively.

#### 1.1.1. Contribution of Food items: 0.79%

As shown in Table 02, the increases in index values were reported for Coconut oil (0.29%), Rice (0.16%), Fresh fish (0.10%), Coconuts (0.07%), Mysore dhal (0.04%), Potatoes (0.03%), **Dried fish** (0.02%), Green gram (0.02%), Big onions (0.01%), Red onions (0.01%), Vegetables (0.01%), Sugar (0.01%), and Turmeric powder (0.01%). However, decreases in index values were reported for Green chillies (0.03%), Chicken (0.01%), Fresh fruits (0.01%), and Eggs (0.01%).

#### 1.1.2. Contribution of Non-food items: 0.16%

The increases in index values of non-food groups in May 2021 compared to the previous month was mainly due to the price increases in groups of items ‘Housing, Water, Electricity, Gas and Other fuels’ (*LP gas*) (0.04 %), ‘Furnishing, Household equipment and Routine household maintenance’ (0.02%) and ‘Health’ (*Payments to medical laboratory tests, Payments to private hospitals room charges*) (0.10%). Further, very slight price increases were reported in group of ‘Clothing and Footwear’ and ‘Miscellaneous Goods and Services’ as well. 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, ‘Transport’, ‘Communication’, ‘Recreation and Culture’, ‘Education’ and ‘Restaurants and Hotels’ groups remained unchanged during the month.

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

Sub Group/Commodity	Rs. cts	Value change		
		% Change		Net effect
		Increase	Decrease	
<b>Food</b>	<b>359.39</b>	<b>0.84</b>	<b>0.06</b>	<b>0.79</b>
Coconut oil	132.31	0.29		
Rice	74.63	0.16		
Fresh fish	45.79	0.10		
Coconuts	29.88	0.07		
Mysore dhal	20.13	0.04		
Potatoes	14.40	0.03		
Dried fish	10.98	0.02		
<i>Sprats</i>	4.24	0.01		
Green gram	8.75	0.02		
Big onions	6.06	0.01		
Red onions	5.39	0.01		
Vegetables	5.37	0.01		
Sugar	3.42	0.01		
Turmeric powder	2.44	0.01		
Green chilies	-11.97		0.03	
Chicken	-6.18		0.01	
Fresh fruits	-4.75		0.01	
<i>Banana</i>	-3.04		0.01	
Eggs	-2.39		0.01	
Other food items	25.13	0.05		
<b>Non Food</b>	<b>74.50</b>	<b>0.16</b>		<b>0.16</b>
<b>Housing, Water, Electricity, Gas and Other Fuels</b>	<b>16.08</b>	<b>0.04</b>		
<i>LP gas</i>	16.08	0.04		
<b>Furnishing, Household Equipment and Routine Household Maintenance</b>	<b>10.90</b>	<b>0.02</b>		
<b>Health</b>	<b>47.27</b>	<b>0.10</b>		
<i>Payments to medical laboratory tests</i>	20.32	0.04		
<i>Payments to private hospitals room charges</i>	26.95	0.06		
<b>Other Groups</b>	<b>0.25</b>	<b>0.00</b>		
<b>All Items</b>	<b>433.89</b>			<b>0.95</b>

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 %		Index Number	% Change Month on Month	Inflation %		Index Number	% Change Month on Month	Inflation %	
				Y on Y	12 Month Moving Avg.			Y on Y	12 Month Moving Avg.			Y on Y	12 Month Moving Avg.
2020	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
	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

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 May 2021 and inflation calculated for April 2021 was 5.5% (Table 03). Year-on-Year inflation of both food group and non-food group were increased from 9.7% in April 2021 to 10.3% in May 2021 and from 2.2% in April 2021 to 2.5% in May 2021 respectively.

#### Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was 4.67 per cent in May 2021 compared to that of May 2020 (Table 04).

Contribution of non-food items was 1.38 per cent. This was mainly due to price increases in groups of items 'Transport' (0.52%), 'Restaurant and Hotels' (0.18%), 'Alcoholic beverages, Tobacco and Narcotics' (0.18%), 'Furnishing, Household equipment and Routine household maintenance' (0.14%), 'Clothing and Footwear' (0.13%), 'Health' (0.11%), 'Miscellaneous goods and services' (0.07%), 'Housing, Water, Electricity, Gas and Other fuels' (0.05%) 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 (May 2021 compared to May 2020)**

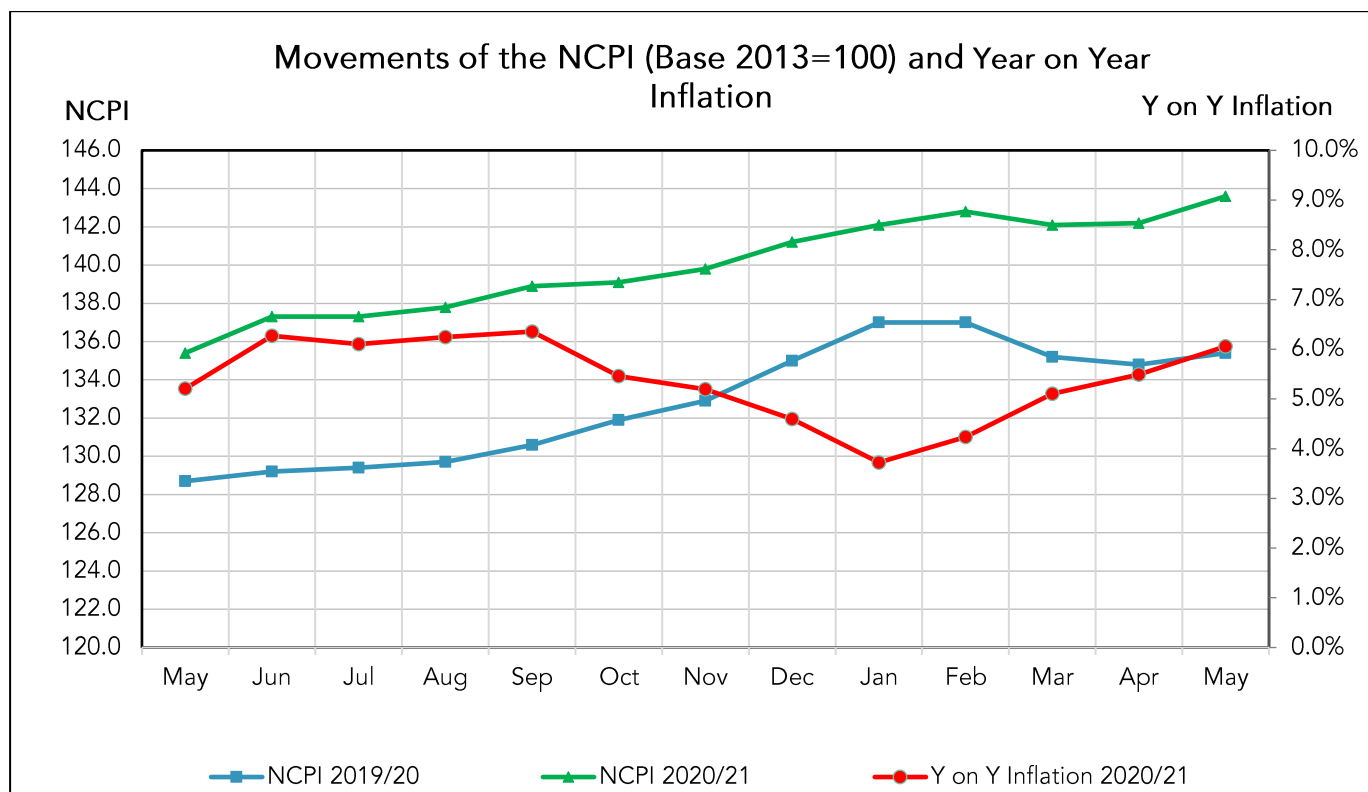
Sub Group/Commodity	Value change			Net effect %
	Rs. cts	% Change		
		Increase %	Decrease %	
Food	2033.07			4.67
Rice	394.57	0.91		
Coconuts	341.58	0.78		
Vegetables	275.13	0.63		
Coconut oil	244.42	0.56		
Turmeric powder	178.58	0.41		
Big onions	108.32	0.25		
Non Food	602.22	1.38		1.38
Alcoholic beverages, Tobacco and Narcotics	79.83	0.18		
Betel leaves	-9.44		0.02	
Arecanuts	24.31	0.06		
Bulathwita	54.73	0.13		
Clothing and Footwear	54.57	0.13		
Clothing	51.61	0.12		
Housing, Water, Electricity, Gas and Other fuels	22.32	0.05		
Material for the maintenance	4.22	0.01		
LP gas	16.08	0.04		
Furnishings, Household equipment and Routing household maintenance	58.98	0.14		
Health	48.47	0.11		
Purchase of medical/pharmacy products	10.53	0.02		
Spectacles	4.89	0.01		
Fees to private medical practices	19.47	0.04		
Consultation fees to specialists	4.38	0.01		
Payments to medical laboratory tests	-56.55		0.13	
Payments to private hospitals room charges	65.34	0.15		
Transport	225.75	0.52		
Tyres, tubes and spare parts	29.40	0.07		
Lubricating oil	17.86	0.04		
Bus fare	138.02	0.32		
Recreation and Culture	2.53	0.01		
Restaurant and Hotels	78.99	0.18		
Miscellaneous Goods and Services	29.24	0.07		
Hair cutting and shaving charges	24.74	0.06		
Other Groups	1.57	0.00		
All Items	2635.30			6.06

Source: Department of Census and Statistics

\*Percentages of items do not tally with overall percentage due to rounding off.

## 2.2 Moving Average Inflation

The moving average inflation for the month of May 2021 is 5.4%. The corresponding rate for the month of April 2021 was 5.3%.



Source: Department of Census and Statistics

#### Information Note on Implications of COVID-19 on the National Consumer Price Index (NCPI): May 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 COVID19 pandemic situation. In Colombo district, for the first three weeks price data of outlets that were previously collected by personal visits were collected using phone by the DCS price collecting officers from outlets which were open. Anyway the other districts, for the first three weeks prices data were collected by personal visits by the DCS price collecting officers as regular basis.

All districts for the fourth week of May, prices data were collected facilitated the methods of door-to-door mobile service and home delivery services etc. 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 fourth week of May 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 mention that all temporarily missing prices were imputed using the methods described in Consumer Price Index Manual.

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