

NATIONAL CONSUMER PRICE INDEX (NCPI)

October, 2021

22 November 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 October 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 October 2021 is 150.6
-  The overall rate of inflation as measured by NCPI on Year-on-Year basis is 8.3% in October 2021.
-  The moving average inflation for the month of October 2021 is 5.7%.

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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 October 2021 is 150.6. An increase of 3.1 index points or 2.1 percentage compared to September 2021 for which the index was 147.5. This increase represents increase in expenditure value of Rs.1006.66 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 (%)		
	Oct 2020	Sep 2021	Oct 2021	Oct 2020	Sep 2021	Oct 2021	Oct 2020	Sep 2021	Oct 2021
All Items	139.1	147.5	150.6	73.40	118.62	1006.66	0.16	0.25	2.12
Food and Non Alcoholic Beverages	145.6	159.6	162.6	64.16	33.15	421.27	0.14	0.07	0.89
Non Food	134.0	137.9	141.2	9.25	85.47	585.39	0.02	0.18	1.23
Alcoholic Beverages, Tobacco and Narcotics	228.1	222.3	223.1	-16.66	14.32	6.36	-0.04	0.03	0.01
Clothing and Footwear	133.2	137.7	140.3	1.84	0.00	28.70	0.00	0.00	0.06
Housing, Water, Electricity, Gas and Other Fuels	127.7	128.3	131.7	7.25	8.18	194.63	0.02	0.02	0.41
Furnishing, Household Equipment and Routine Household Maintenance	131.3	140.3	144.4	4.83	27.58	44.32	0.01	0.06	0.09
Health	160.3	171.3	176.7	0.00	16.22	69.41	0.00	0.03	0.15
Transport	119.6	129.6	130.1	0.00	0.00	17.05	0.00	0.00	0.04
Recreation and Culture	125.1	126.6	128.8	0.14	0.00	11.15	0.00	0.00	0.02
Education	143.6	145.2	146.1	0.00	12.00	8.15	0.00	0.03	0.02
Restaurants and Hotels	123.9	129.1	139.6	2.17	5.26	131.33	0.00	0.01	0.28
Miscellaneous Goods and Services	145.6	147.4	152.5	9.68	1.92	74.30	0.02	0.00	0.16
Other Group	98.9	98.9	98.9	0.00	0.00	0.00	0.00	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 October 2021, details on which are given in Table 02.

Note 2: For the October 2021, unchanged group: ‘Communication’ is considered as the ‘Other Group’.

Contribution to Month-on-Month Changes:

Contributions to the NCPI on Month-on-Month basis (October 2021 as compared to September 2021) are given in Table 02. The month-on-month change was contributed by increases of index value of food items by 0.89% and non-food items by 1.23% respectively.

1.1.1. Contribution of Food items: 0.89%

As shown in Table 02, the increases in index values were reported for Milk powder (0.26%), Rice (0.18%), Big onions (0.07%) Mysore dhal (0.06%), Fresh fruits (0.06%), Chicken (0.06%), Bread (0.04%), Limes (0.03%), Vegetables (0.03%), Wheat flour (0.02%), Fresh fish (0.02%), Buns (0.02%), Biscuits (0.02%), Turmeric powder (0.02%), Rice flour (0.01%), Chili powder (0.01%) and Curry powder (0.01%). However, decreases in index values were reported for Potatoes (0.04%), Coconut oil (0.04%), Sugar (0.03%), Red onions (0.01%), Green chilies (0.01%) and Green gram (0.01%).

1.1.2. Contribution of Non-food items: 1.23%

The increases in index values of non-food groups in October 2021 compared to the previous month was mainly due to the price increases in groups of items ‘Alcoholic Beverages, Tobacco and Narcotics’ (Tobacco chewing) (0.01%), ‘Clothing and Footwear’ (0.06%), ‘Housing, Water, Electricity, Gas and Other fuels’ (LP gas) (0.41%), ‘Furnishing, Household equipment and Routine household maintenance’ (0.09%), ‘Health’ (Fees to private/Ayurvedic medical practices) (0.15%), ‘Transport’ (Lubricating oil and petrol) (0.04%), ‘Recreation and Culture’ (0.02%), ‘Education’ (Tuition fees) (0.02%), ‘Restaurants and Hotels’ (0.28%), and ‘Miscellaneous Goods and Services’ (0.16%). Meanwhile, the price index of ‘Communication’ group remained unchanged during the month.

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

Sub Group/Commodity	Rs. cts	Value change		Net effect
		Increase	% Change Decrease	
Food	421.27	1.02	0.14	0.89
Milk powder	123.51	0.26		
Rice	83.01	0.18		
Big onions	31.01	0.07		
Mysore dhal	30.46	0.06		
Fresh fruits	28.49	0.06		
<i>banana</i>	15.98	0.03		
Chicken	27.15	0.06		
Bread	20.84	0.04		
Limes	15.40	0.03		
vegetables	14.50	0.03		
Wheat flour	11.48	0.02		
Fresh fish	9.41	0.02		
Buns	8.39	0.02		
Biscuits	8.25	0.02		
Turmeric powder	7.44	0.02		
Rice flour	4.50	0.01		
Chili powder	4.41	0.01		
Curry powder	4.04	0.01		
Potatoes	-18.40		0.04	
Coconut oil	-17.60		0.04	
Sugar	-12.80		0.03	
Red onions	-6.22		0.01	
Green chilies	-4.80		0.01	
Green gram	-4.26		0.01	
Other food items	53.07	0.11		
Non Food	585.39	1.23		1.23
Alcoholic Beverages, Tobacco and Narcotics	6.36	0.01		
<i>Tobacco (chewing)</i>	3.07	0.01		
<i>Areanuts</i>	2.37	0.01		
Clothing & Footwear	28.70	0.06		
Housing, Water, Electricity, Gas and Other fuels	194.63	0.41		
<i>LP gas</i>	86.56	0.18		
<i>Materials for the Maintenance</i>	64.23	0.14		
<i>Housing rent</i>	42.09	0.09		
Furnishing, Household equipment and Routine household maintenance	44.32	0.09		
Health	69.41	0.15		
<i>Fees to private medical practices</i>	30.30	0.06		
<i>Fees to Aurvadic practitioners</i>	24.08	0.05		
<i>Consultation fees to specialists</i>	9.07	0.02		
<i>Purchase of medical/pharmacy products</i>	5.96	0.01		
Transport	17.05	0.04		
<i>Lubricating oil</i>	9.24	0.02		
<i>Petrol</i>	4.13	0.01		
<i>Diesel</i>	1.55	0.00		
Recreation and Culture	11.15	0.02		
Education	8.15	0.02		
<i>Tuition fees</i>	8.15	0.02		
Restaurants and Hotels	131.33	0.28		
Miscellaneous Goods & Services	74.30	0.16		
All Items	1006.66			2.12

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	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
	July	146.6	0.6	6.8	5.4	158.5	0.8	11.0	9.6	137.2	0.5	3.2	2.0
	August	147.1	0.3	6.7	5.5	159.4	0.6	11.1	9.4	137.4	0.1	3.0	2.2
	September	147.5	0.3	6.2	5.5	159.6	0.1	10.0	9.2	137.9	0.4	3.0	2.3
	October	150.6	2.1	8.3	5.7	162.6	1.9	11.7	9.3	141.2	2.4	5.4	2.7

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 8.3% in October 2021 and inflation calculated for September 2021 was 6.2%. (Table 03). With respect to October 2020, the reported inflation for the month of October 2021 was mainly due to the higher price levels prevailed in both food and non-food groups in the month of October 2021. Accordingly, the Year-on-Year inflation of the food group increased to 11.7% in October 2021 from 10.0% in September 2021 and the Year-on-Year inflation of the non-food group increased to 5.4% in October 2021 from 3.0% in September 2021.

Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was 5.38 percent in October 2021 compared to the month of October 2020 (Table 04).

Contribution of non-food items was 2.89 percent. This was mainly due to price increases in groups of items 'Transport' (0.74%), 'Housing, Water, Electricity, Gas and Other fuels' (0.51%), 'Health' (0.48%), 'Restaurant and Hotels' (0.44%), 'Furnishing, Household equipment and Routine household maintenance' (0.31%), 'Miscellaneous goods and services' (0.23%), 'Clothing and Footwear' (0.17%), 'Education' (0.05%) and 'Recreation and Culture' (0.04%). However, price decrease in group of items was reported in 'Alcoholic beverages, Tobacco and Narcotics' (0.08%). Meanwhile, the group of 'Communication' remained unchanged during the period

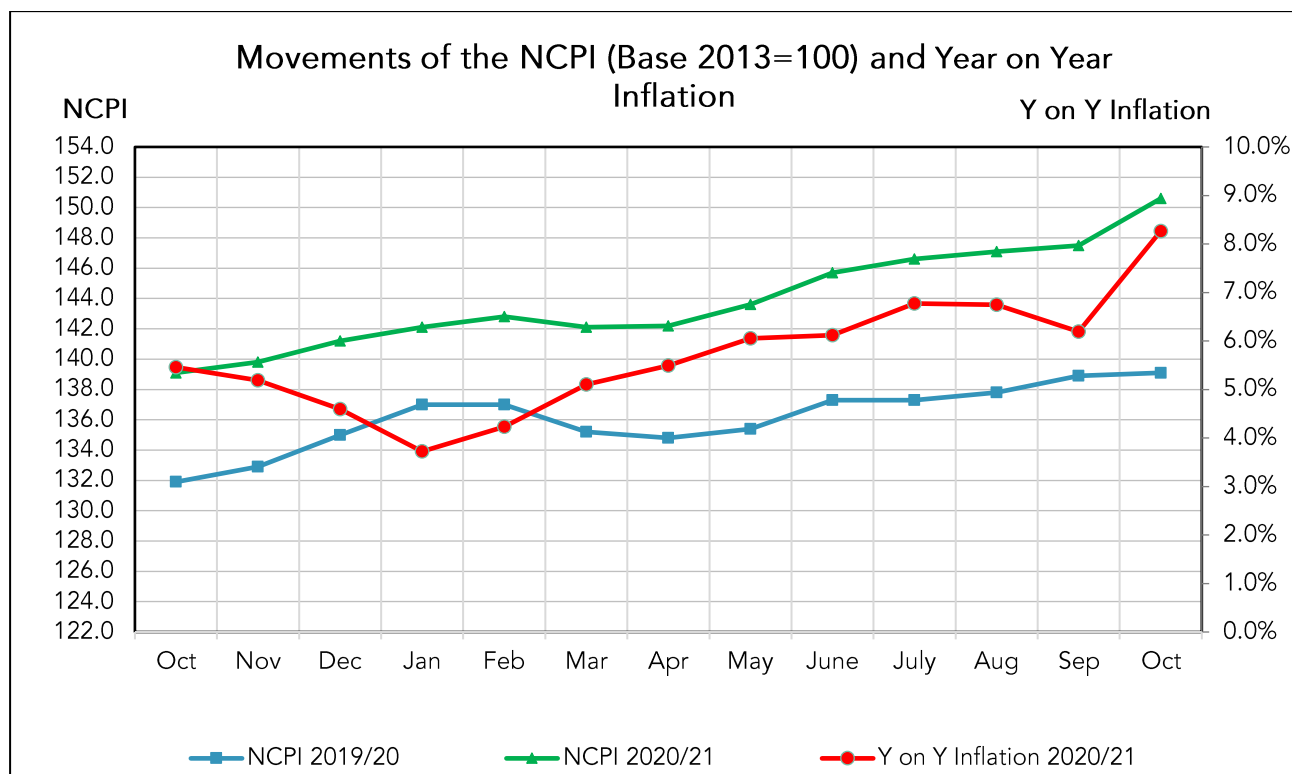
Table 04: Contribution to the increase in NCPI (Base 2013=100) on year on year basis (October 2021 as compared to October 2020)

Sub Group/Commodity	Value change			
	Rs. cts	% Change		Net effect %
		Increase %	Decrease %	
Food	2406.66			5.38
<i>Rice</i>	475.58	1.06		
<i>Coconut oil</i>	227.49	0.51		
<i>Vegetables</i>	230.26	0.52		
<i>Mysore dhal</i>	176.98	0.40		
<i>fresh fish</i>	163.73	0.37		
<i>Milk powder</i>	123.51	0.28		
<i>Dried fish</i>	112.05	0.25		
Non Food	1291.00	2.97	0.08	2.89
Alcoholic beverages, Tobacco and Narcotics	-36.02		0.08	
<i>Tobacco (chewing)</i>	10.22	0.02		
<i>Betel leaves</i>	9.56	0.02		
<i>Arecanuts</i>	-56.03		0.13	
Clothing and Footwear	77.88	0.17		
<i>Clothing</i>	74.92	0.17		
Housing, Water, Electricity, Gas and Other fuels	228.60	0.51		
<i>Housing rent</i>	42.09	0.09		
<i>Material for the maintenance</i>	73.60	0.16		
<i>LP gas</i>	102.13	0.23		
<i>Kerosene oil</i>	7.01	0.02		
Furnishings, Household equipment and Routing household maintenance	139.05	0.31		
Health	213.66	0.48		
<i>Purchase of medical/pharmacy products</i>	46.31	0.10		
<i>Fees to private medical practices</i>	54.78	0.12		
<i>Consultation fees to specialists</i>	12.43	0.03		
<i>Fees to Aurvadic practitioners</i>	38.54	0.09		
<i>Payments to private hospitals/ nursing homes room charges</i>	53.98	0.12		
Transport	328.77	0.74		
<i>Tyres, tubes and spare parts</i>	30.40	0.07		
<i>Petrol</i>	107.40	0.24		
<i>Diesel</i>	15.13	0.03		
<i>Lubricating oil</i>	24.30	0.05		
<i>Bus fare</i>	138.02	0.31		
Recreation and Culture	18.85	0.04		
Education	22.55	0.05		
<i>Tuition fees</i>	10.56	0.02		
Restaurant and Hotels	196.85	0.44		
Miscellaneous Goods and Services	100.81	0.23		
All Items	3697.66			8.27

Source: Department of Census and Statistics

2.2 Moving Average Inflation

The moving average inflation for the month of October 2021 is 5.7%. The corresponding rate for the month of September 2021 was 5.5%.



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.”

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.”

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