

# NATIONAL CONSUMER PRICE INDEX (NCPI)

September, 2021

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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 September 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.

- D The NCPI for all items for the month of September 2021 is 147.5**
- D The overall rate of inflation as measured by NCPI on Year-on-Year basis is 6.2% in September 2021.**
- D The moving average inflation for the month of September 2021 is 5.5%.**

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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 September 2021 is 147.5 An increase of 0.4 index points or 0.3 percentage compared to August 2021 for which the index was 147.1. This increase represents increase in expenditure value of Rs.118.62 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 (%)		
	Sep 2020	Aug 2021	Sep 2021	Sep 2020	Aug 2021	Sep 2021	Sep 2020	Aug 2021	Sep 2021
<b>All Items</b>	138.9	147.1	147.5	334.35	168.11	118.62	0.75	0.36	0.25
<b>Food and Non Alcoholic Beverages</b>	145.1	159.4	159.6	231.83	118.58	33.15	0.52	0.25	0.07
<b>Non Food</b>	133.9	137.4	137.9	102.52	49.53	85.47	0.23	0.11	0.18
Alcoholic Beverages, Tobacco and Narcotics	230.4	220.3	222.3	65.38	20.59	14.32	0.15	0.04	0.03
Housing, Water, Electricity, Gas and Other Fuels	127.6	128.2	128.3	0.00	-5.92	8.18	0.00	-0.01	0.02
Furnishing, Household Equipment and Routine Household Maintenance	130.9	137.7	140.3	1.18	6.89	27.58	0.00	0.01	0.06
Health	160.3	170.1	171.3	0.00	11.83	16.22	0.00	0.03	0.03
Education	143.6	143.9	145.2	-0.84	0.00	12.00	0.00	0.00	0.03
Restaurants and Hotels	123.7	128.7	129.1	0.00	9.77	5.26	0.00	0.02	0.01
Other Groups	125.2	131.0	131.1	36.80	6.36	1.92	0.08	0.01	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 seven main groups in September 2021, details on which are given in Table 02.

Note 2: For the September 2021, insignificant group: ‘Miscellaneous Goods and Services’ and unchanged groups: ‘Clothing and Footwear’, ‘Transport’, ‘Communication’ and ‘Recreation and Culture’ are considered as the ‘Other Groups’.

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

Contributions to the NCPI on Month-on-Month basis (September 2021 as compared to August 2021) are given in Table 02. The month-on-month change was contributed by increases of index value of food items by 0.07% and non-food items by 0.18% respectively.

#### 1.1.1. Contribution of Food items: 0.07%

As shown in Table 02, the increases in index values were reported for Mysore dhal (0.08%), Big onions (0.08%) Fresh fish (0.06%), Chicken (0.03%), Dried fish (0.03%), Bread (0.03%), Buns (0.02%), Wheat flour (0.02%), Garlic (0.01%), Chili powder (0.01%), Biscuits (0.01%), Limes (0.01%) and Canned fish (0.01%). However, decreases in index values were reported for Rice (0.16%), Vegetables (0.09%), Sugar (0.07%), Coconut oil (0.03%), Coconuts (0.02%) and Red onions (0.01%).

#### 1.1.2. Contribution of Non-food items: 0.18%

The increases in index values of non-food groups in September 2021 compared to the previous month was mainly due to the price increases in groups of items ‘Alcoholic Beverages, Tobacco and Narcotics’ (Arecanuts) (0.03%), ‘Housing, Water, Electricity, Gas and Other fuels’ (LP gas) (0.02%), ‘Furnishing, Household equipment and Routine household maintenance’ (0.06%), ‘Health’ (Purchase of medical/Pharmacy products) (0.03%), ‘Education’ (0.03%) and ‘Restaurants and Hotels’ (0.01%), Further, very slight price increase was reported in group of ‘Miscellaneous Goods and Services’ as well. Meanwhile, the price indices of ‘Clothing and Footwear’, ‘Transport’, ‘Communication’ and ‘Recreation and Culture’ groups remained unchanged during the month.

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

Sub Group/Commodity	Rs. cts	Value change		Net effect
		Increase	% Change Decrease	
<b>Food</b>	<b>33.15</b>	<b>0.45</b>	<b>0.38</b>	<b>0.07</b>
Mysore dhal	39.48	0.08		
Big onions	37.22	0.08		
Fresh fish	26.25	0.06		
Chicken	15.04	0.03		
Dried fish	13.63	0.03		
<i>Sprats</i>	7.92	0.02		
Bread (Normal)	12.92	0.03		
Buns	9.18	0.02		
Wheat flour	8.49	0.02		
Garlic	3.77	0.01		
Chili powder	3.63	0.01		
Biscuits	3.29	0.01		
Limes	3.00	0.01		
Canned fish	2.84	0.01		
Rice	-76.19		0.16	
vegetables	-42.70		0.09	
Sugar	-32.45		0.07	
Coconut oil	-13.23		0.03	
Coconuts	-11.30		0.02	
Red onions	-3.44		0.01	
Other food items	33.74	0.07		
<b>Non Food</b>	<b>85.47</b>	<b>0.18</b>		<b>0.18</b>
<b>Alcoholic Beverages, Tobacco and Narcotics</b>	14.32	0.03		
<i>Areanuts</i>	7.40	0.02		
<i>Betel leaves</i>	2.92	0.01		
<i>Bulathwita</i>	3.04	0.01		
<b>Housing, Water, Electricity, Gas and Other fuels</b>	8.18	0.02		
<i>LP gas</i>	8.18	0.02		
<b>Furnishing, household equipment and routine household maintenance</b>	27.58	0.06		
<b>Furniture and Furnishing</b>	19.78	0.04		
<b>Health</b>	16.22	0.03		
<i>Purchase of medical/ pharmacy products</i>	16.22	0.03		
<b>Education</b>	12.00	0.03		
<i>School fees (International/primary)</i>	5.37	0.01		
<i>School fees (International/secondary)</i>	6.63	0.01		
<b>Restaurants and hotels</b>	5.26	0.01		
<b>Other Groups</b>	1.92	0.00		
<b>All Items</b>	<b>118.62</b>			<b>0.25</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	Inflation %			Index Number	Inflation %			Index Number	Inflation %		
			% Change Month on Month	Y on Y	12 Month Moving Avg.		% Change Month on Month	Y on Y	12 Month Moving Avg.		% Change Month on Month	Y on Y	12 Month Moving Avg.
2020	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
	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

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 6.2% in September 2021 and inflation calculated for August 2021 was 6.7%. (Table 03). Year-on-Year inflation of food group and has decreased from 11.1% in August 2021 to 10.0% in September 2021 and that of non-food group remained unchanged as 3.0% with respect to the previous month.

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

On Year-on-Year basis, contribution of food commodities to inflation was 4.59 percent in September 2021 compared to the month of September 2020 (Table 04).

Contribution of non-food items was 1.60 percent. This was mainly due to price increases in groups of items 'Transport' (0.70%), 'Health' (0.32%), 'Furnishing, Household equipment and Routine household maintenance' (0.22%), 'Restaurant and Hotels' (0.15%), 'Clothing and Footwear' (0.11%), 'Housing, Water, Electricity, Gas and Other fuels' (0.09%) 'Miscellaneous goods and services' (0.08%), 'Education' (0.03%) and 'Recreation and Culture' (0.02%). However, price decrease in group of items was reported in 'Alcoholic beverages, Tobacco and Narcotics' (0.13%). Meanwhile, the group of 'Communication' remained unchanged during the period.

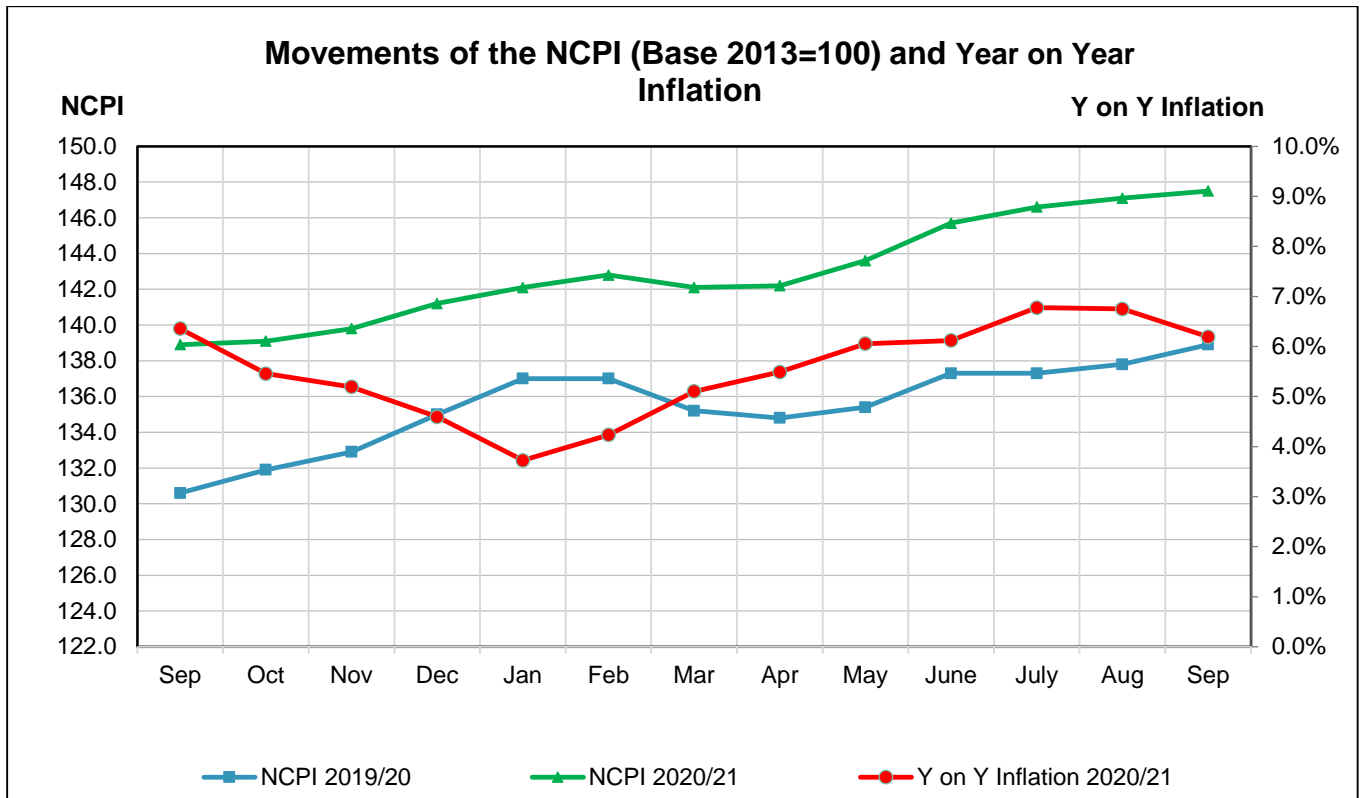
**Table 04: Contribution to the increase in NCPI (Base 2013=100) on year on year basis (September 2021 as compared to September 2020)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase %	Decrease %	Net effect %
<b>Food</b>	<b>2049.55</b>			<b>4.59</b>
Rice	436.87	0.98		
Coconut oil	243.42	0.55		
Vegetables	179.97	0.40		
Mysore dhal	158.73	0.36		
Dried fish	110.87	0.25		
fresh fish	101.64	0.23		
Coconuts	84.06	0.19		
<b>Non Food</b>	<b>714.85</b>	<b>1.73</b>	<b>0.13</b>	<b>1.60</b>
<b>Alcoholic beverages, Tobacco and Narcotics</b>	-59.03		0.13	
Tobacco (chewing)	7.32	0.02		
Betel leaves	9.97	0.02		
Arecanuts	-75.36		0.17	
<b>Clothing and Footwear</b>	51.02	0.11		
Clothing	48.06	0.11		
<b>Housing, Water, Electricity, Gas and Other fuels</b>	41.22	0.09		
Material for the maintenance	16.61	0.04		
LP gas	15.57	0.03		
Kerosene oil	7.01	0.02		
<b>Furnishings, Household equipment and Routing household maintenance</b>	99.56	0.22		
<b>Health</b>	144.25	0.32		
Purchase of medical/pharmacy products	40.35	0.09		
Fees to private medical practices	24.48	0.05		
Fees to Aurvedic practitioners	14.45	0.03		
Payments to private hospitals/nursing homes room charges	53.98	0.12		
<b>Transport</b>	311.72	0.70		
Tyres, tubes and spare parts	30.40	0.07		
Petrol	103.27	0.23		
Diesel	13.58	0.03		
Lubricating oil	15.07	0.03		
Bus fare	138.02	0.31		
<b>Recreation and Culture</b>	7.85	0.02		
<b>Education</b>	14.41	0.03		
School fees (International primary)	5.37	0.01		
School fees (International secondary)	6.63	0.01		
<b>Restaurant and Hotels</b>	67.69	0.15		
<b>Miscellaneous Goods and Services</b>	36.18	0.08		
Hair cutting and shaving charges	20.27	0.05		
<b>All Items</b>	<b>2764.40</b>			<b>6.19</b>

Source: Department of Census and Statistics

## 2.2 Moving Average Inflation

The moving average inflation for the month of September 2021 is 5.5%. The moving average inflation remained unchanged in September 2021 with respect to the month of August 2021.



Source: Department of Census and Statistics

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

To keep the higher accuracy of the Consumer Price Index, the majority of prices data are collected by personal visits by the DCS price collecting officers. The data collection by personal visits was challenging due to the Covid-19 lockdown situation for the month of September 2021. So for the Colombo district prices data were collected via the phone by the DCS price collecting officers. The other 24 districts prices data were collected facilitated the methods of door-to-door mobile service, home delivery services and via the phone. 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 September 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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