



## District Official poverty lines has been revised based on HIES 2016 data since 2017 January

The household Income and expenditure survey (HIES) which is a yearlong national sample survey has been conducted by the Department of Census and Statistics (DCS) once in every three years. This survey is the main source of data which is used to calculate poverty indices for Sri Lanka.

Official poverty line (OPL) which was established on HIES – 2002 data by the DCS has been used since 2004 to measure poverty. The OPL is an absolute poverty line which is fixed at a specific welfare level that is a person who meets a certain minimum nutritional intake (2030 kilocalories per day) to compare over time with household food and non- food consumption and expenditure data. For the other survey years, the poverty lines are obtained by adjusting the official poverty line of 2002 with Colombo Consumer Price Index (CCPI) for the price differences.

At the time of establishing OPL in 2004, base year of CCPI was 1952. Official Poverty line has to be revised when rebasing CCPI. During the survey period (HIES 2012/13), CCPI base year was 2006/07 and value of OPL was Rs. 3624. CCPI base year changed from 2006/07 to 2013 since January 2017. Therefore base year(2013) OPL value was Rs. 3730.

Price differences exist not only over time, but also across districts. The spatial price indices are constructed at the district level for the survey period and construct the district poverty lines adjusting national poverty line for the price differences. For inter survey periods the national poverty line is monthly adjusted using the CCPI for the price differences and use the spatial price indices to obtain the monthly district poverty lines at current prices. Accordingly, after adjusting the price differences across districts the DCS released district level poverty lines for each month'

The value of district poverty line itself does not imply that the poverty status by district. The value of district poverty line can be used for policy making targeting the poor at district level as it can be interpreted as the Minimum expenditure per person per month need to fulfill the basic needs.

To understand the poverty status at district levels, it is needed to obtain the consumption values by household levels. The DCS collects these information through HIES conducted once in every three years and publishes the poverty statistics at district levels. Poverty status is reflected by the poverty head count index. The poverty headcount is the percentage of people living in the districts below the national poverty line.

Using the calculated spatial price indices of HIES 2016, District Official poverty lines has been revised since January 2017.