



## PRESS RELEASE

### THE NATIONAL CONSUMER PRICE INDEX (BASE 2013=100) – APRIL 2019

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#### 1. Introduction

The Department of Census and Statistics (DCS) has released the National Consumer Price Index (NCPI) and Inflation for the month of April 2019.

The NCPI has been releasing 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 each 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 twice a week (e.g. dried fish, spices, cereals, etc.), monthly (e.g. readymade garments, washing soap/washing powder etc.) and quarterly (e.g. furniture, laundry charges etc.). The frequency of price collection is determined by on an average how frequently price changes are taken place.

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

The NCPI for all items for the month of April 2019 was 127.3. An increase of 0.9 index points that is percentage of 0.7 was reported in April 2019 compared to that of March 2019 for which the index was 126.4. This increase represents increase in expenditure value of Rs. 300.33 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**

Major Group*	Index Number			Monthly Changes of the Expenditure Value (Rs.)			Monthly changes of the index (%)		
	Apr 2018	Mar 2019	Apr 2019	Apr 2018	Mar 2019	Apr 2019	Apr 2018	Mar 2019	Apr 2019
<b>Non Food</b>	122.0	130.3	131.1	48.54	102.52	143.51	0.12	0.25	0.35
<b>All Items</b>	122.9	126.4	127.3	6.93	-105.64	300.33	0.02	-0.26	0.74
<b>Food and Non Alcoholic Beverages</b>	124.0	121.4	122.5	-41.62	-208.16	156.82	-0.11	-0.51	0.39
Alcoholic beverages, Tobacco and Narcotics	180.1	199.0	205.0	13.92	57.63	43.72	0.04	0.14	0.11
Clothing and Footwear	122.2	127.2	128.0	4.72	6.68	8.79	0.01	0.02	0.02
Furnishing, Household equipment and Routine household maintenance	122.7	128.2	128.7	2.62	3.06	5.46	0.01	0.01	0.01
Health	148.7	161.4	161.9	0.00	0.00	6.75	0.00	0.00	0.02
Transport	106.3	114.5	115.8	22.70	23.85	40.72	0.06	0.06	0.10
Miscellaneous Goods and Services	132.1	139.2	141.8	1.91	9.97	36.98	0.00	0.02	0.09
Other	117.2	125.0	125.0	2.67	1.34	1.09	0.01	0.00	0.00

Note 1: There are 12 main groups of the market basket. Monthly significant changes were noted in only seven main groups in April 2019, details on which are given in Table 02.

Note 2: For the April 2019, insignificant groups 'Communication', 'Recreation and Culture' and unchanged groups 'Housing, Water, Electricity, Gas and Other Fuels', 'Education' and 'Restaurants and Hotels' are considered as the 'Other Group'.

### Contribution to M on M Changes:

Contributions to the increase in NCPI on month on month basis (April 2019 as compared to March 2019) are given in Table 02. The increase in the index point by 0.74% was due to the expenditure value increases of food items by 0.39% and non food items by 0.35% respectively.

#### 2.1.1. Contribution of Food items: 0.39%

As shown in Table 02, the increases in expenditure value in index were reported for Vegetables (0.21%), Milk Powder (0.09%), Potatoes (0.08%), Fresh Fish (0.07%), Limes (0.04%), Big Onions (0.04%), Banana (0.03%), Eggs (0.03%), Chicken (0.02%), Coconut oil (0.01%) and Sprats (dry) (0.01%). However, decreases in expenditure value in index were reported for Papaw (0.13%), Rice (0.13%), Green Chilies (0.02%), Garlic (0.01%) and Coconuts (0.01%).

#### 2.1.2. Contribution of Non food items: 0.35%

The increases in expenditure value of non food groups in April 2019 compared to the previous month was due to the expenditure value increases in groups of items 'Alcoholic beverages, Tobacco and Narcotics' (Betel leaves, Cigarettes, Arecanuts and Arrack) (0.11%), 'Transport' (Purchase of Vehicles, Fuel prices and Airline fare) (0.10%), 'Miscellaneous Goods and Services' (0.09%), 'Clothing and Footwear' (0.02%), 'Health' (Payments to medical laboratory tests) (0.02%) and 'Furnishing, Household equipment and Routine household maintenance' (0.01%). Further, very slight increases in expenditure value were reported in groups of 'Recreation and Culture' and 'Communication'. Meanwhile, the expenditure value of 'Housing, Water, Electricity, Gas and Other Fuels', 'Education' and 'Restaurants and Hotels' groups remained unchanged during the month.

**Table 02: Contribution to the increase in NCPI (Base 2013=100) on month on month basis  
(April 2019 as compared to March 2019)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase	Decrease	Net effect
<b>Food</b>	<b>156.82</b>	<b>0.68</b>	<b>0.29</b>	<b>0.39</b>
Vegetables	84.14	0.21		
Milk Powder	37.66	0.09		
Potatoes	31.79	0.08		
Fresh fish	27.32	0.07		
Limes	18.20	0.04		
Big onions	18.13	0.04		
Banana	11.24	0.03		
Eggs	10.40	0.03		
Chicken	9.83	0.02		
Coconut oil	3.41	0.01		
Sprats (dry)	3.22	0.01		
Papaw	-52.51		0.13	
Rice	-50.79		0.13	
Green chilies	-9.52		0.02	
Garlic	-2.93		0.01	
Coconuts	-2.26		0.01	
Other food items	19.48	0.05		
<b>Non Food</b>	<b>143.51</b>	<b>0.35</b>		<b>0.35</b>
<b>Alcoholic beverages, Tobacco and Narcotics</b>	43.72	0.11		
<i>Arrack</i>	2.68	0.01		
<i>Cigarettes</i>	6.69	0.02		
<i>Betel leaves</i>	23.77	0.06		
<i>Arecanuts</i>	6.68	0.02		
<b>Clothing and Footwear</b>	8.79	0.02		
<i>Clothing</i>	8.79	0.02		
<b>Furnishings, Household equipment and Routing household maintenance</b>	5.46	0.01		
<b>Health</b>	6.75	0.02		
<i>Payments to medical laboratory tests</i>	6.75	0.02		
<b>Transport</b>	40.72	0.10		
<i>Purchase of Vehicles</i>	19.63	0.05		
<i>Petrol</i>	4.27	0.01		
<i>Diesel</i>	4.40	0.01		
<i>Airline fare</i>	12.42	0.03		
<b>Miscellaneous Goods and Services</b>	36.98	0.09		
<b>Other Groups</b>	1.09	0.00		
<b>All Items</b>	<b>300.33</b>			<b>0.74</b>

### 3. 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 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	Index Number	All Item			Food			Non Food		
			% Change Month to Month	Inflation %		% Change Month to Month	Inflation %		% Change Month to Month	Inflation %	
				Y on Y	12 Month Moving Avg.		Y on Y	12 Month Moving Avg.		Y on Y	12 Month Moving Avg.
2018	April	122.9	0.1	1.6	6.1	-0.2	-0.3	9.2	0.2	3.0	3.7
	May	124.3	1.1	2.1	5.7	1.3	0.0	8.2	1.1	3.8	3.6
	June	126.5	1.8	2.5	5.3	3.4	0.5	7.5	0.5	4.2	3.6
	July	126.6	0.1	3.4	5.1	-0.2	2.4	7.0	0.2	4.3	3.6
	August	125.4	-0.9	2.5	4.7	-2.9	0.0	6.0	0.7	4.7	3.6
	September	124.4	-0.8	0.9	4.0	-2.5	-4.2	4.5	0.6	5.2	3.6
	October	124.9	0.4	0.1	3.3	-0.1	-6.6	2.8	0.7	5.8	3.7
	November	127.7	2.2	1.0	2.7	5.1	-3.9	1.2	0.1	5.2	4.0
	December	127.1	-0.5	0.4	2.1	-0.4	-4.5	-0.2	-0.5	4.7	4.1
2019	January	127.3	0.2	1.2	1.8	-2.0	-4.8	-1.3	1.9	6.5	4.4
	February	126.7	-0.5	2.4	1.7	-2.3	-2.9	-1.9	0.9	6.7	4.8
	March	126.4	-0.2	2.9	1.7	-1.2	-2.3	-2.3	0.5	7.1	5.1
	April	127.3	0.7	3.6	1.9	0.9	-1.2	-2.3	0.6	7.5	5.5

#### 3.1. Year on Year (Y on Y) Inflation

The overall rate of inflation as measured by NCPI on Y on Y basis is 3.6% in April 2019 and inflation calculated for March 2019 was 2.9% (Table 03). Y on Y inflation of food group has increased from -2.3% in March 2019 to -1.2% in April 2019 and that of non-food group has also increased from 7.1% to 7.5% during this month.

#### Contribution to Y on Y inflation:

On year on year basis, contribution of food commodities to inflation was -0.55 percent in April 2019 compared to that of April 2018 (Table 04).

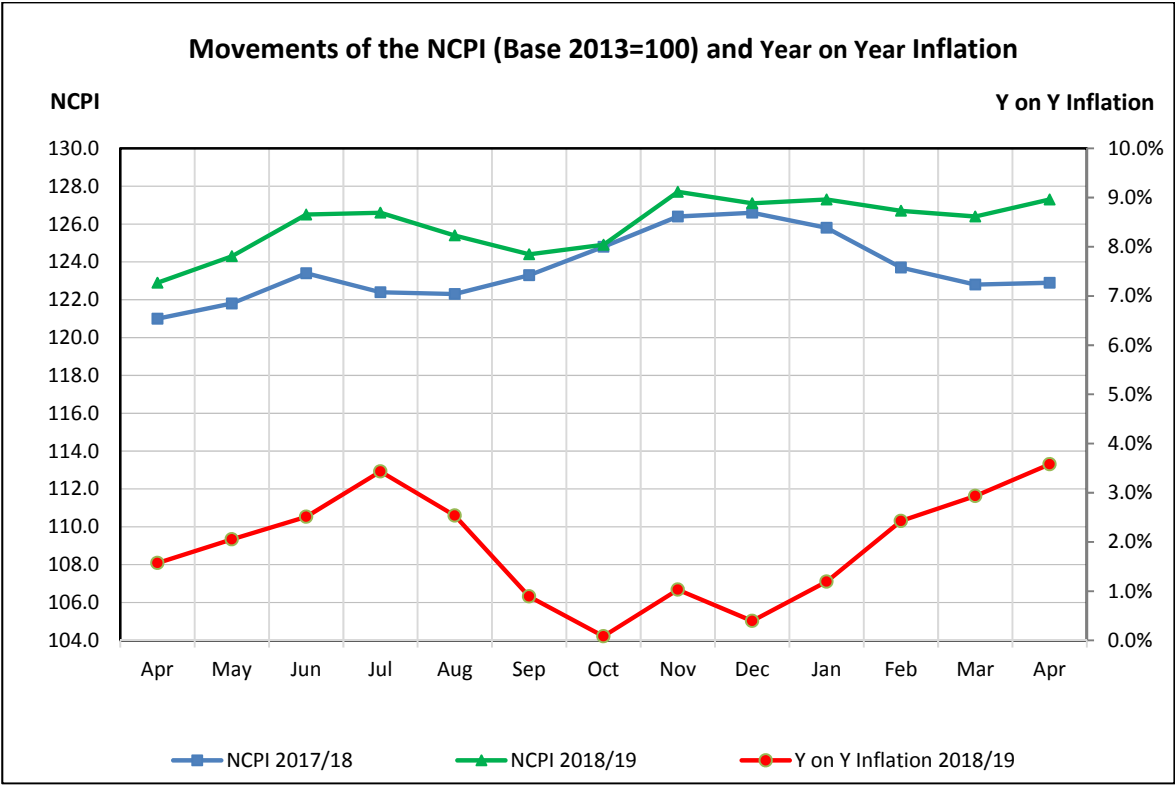
Contribution of non food items was 4.15 percent. This was mainly due to expenditure value increases in groups of 'Housing, Water, Electricity, Gas and Other fuels' (1.51%), 'Transport' (0.75%), 'Alcoholic beverages, Tobacco and Narcotics' (0.46%), 'Health' (0.43%), 'Miscellaneous Goods and Services' (0.36%), 'Education' (0.23%), 'Restaurant and Hotels' (0.18%), 'Clothing and Footwear' (0.16%), 'Furnishing, Household equipment and Routine household maintenance' (0.16%), and 'Recreation and Culture' (0.10%). However, decrease in expenditure value was reported for group of 'Communication' (0.18%).

**Table 04: Contribution to the increase in NCPI (Base 2013=100) on year on year basis  
(April 2019 as compared to April 2018)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase %	Decrease %	Net effect %
<b>Food</b>	<b>-216.88</b>			<b>-0.55</b>
<b>Non Food</b>	<b>1639.58</b>	<b>4.33</b>	<b>0.18</b>	<b>4.15</b>
<b>Alcoholic beverages, Tobacco and Narcotics</b>	181.31	0.46		
<i>Arrack</i>	35.29	0.09		
<i>Cigarettes</i>	66.27	0.17		
<i>Betel leaves</i>	52.19	0.13		
<i>Bulathwita</i>	19.52	0.05		
<b>Clothing and Footwear</b>	64.72	0.16		
<i>Clothing</i>	59.99	0.15		
<i>Footwear</i>	4.73	0.01		
<b>Housing, Water, Electricity, Gas and Other fuels</b>	595.57	1.51		
<i>Housing Rent</i>	474.88	1.20		
<i>Material for the maintenance</i>	54.80	0.14		
<i>LP Gas</i>	30.17	0.08		
<i>Kerosene oil</i>	26.05	0.07		
<b>Furnishings, Household equipment and Routing household maintenance</b>	63.63	0.16		
<b>Health</b>	171.50	0.43		
<i>Purchase of medical/pharmacy products</i>	25.24	0.06		
<i>Spectacles</i>	13.59	0.03		
<i>Fees to private medical practices</i>	31.95	0.08		
<i>Payments to medical laboratory tests</i>	28.85	0.07		
<i>Fees to Aurvedic practitioners</i>	19.27	0.05		
<i>Payments to private hospitals/ nursing homes</i>	45.32	0.11		
<b>Transport</b>	296.88	0.75		
<i>Purchase of vehicles</i>	33.97	0.09		
<i>Petrol</i>	53.50	0.14		
<i>Diesel</i>	21.26	0.05		
<i>Train fare</i>	6.32	0.02		
<i>bus fare</i>	78.22	0.20		
<i>Van fare(other than schooling)</i>	17.00	0.04		
<i>Taxi/three wheelers fare(other than schooling)</i>	25.74	0.07		
<i>Transport for schooling/ pre-schooling</i>	22.51	0.06		
<b>Communication</b>	-72.13		0.18	
<i>Telephone charges - Home fixed phone</i>	-26.90		0.07	
<i>Telephone charges - mobile</i>	-46.48		0.12	
<b>Recreation and Culture</b>	38.11	0.10		
<b>Education</b>	90.26	0.23		
<i>Tuition fees</i>	73.15	0.19		
<b>Restaurant and Hotels</b>	69.41	0.18		
<b>Miscellaneous Goods and Services</b>	140.30	0.36		
<b>All Items</b>	<b>1422.70</b>			<b>3.60</b>

### 3.2. Moving Average Inflation

The moving average inflation for the month of April 2019 is 1.9%. The corresponding rate for the month of March 2019 was 1.7%.



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