



WEB RELEASE

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

Department of Census and Statistics

Ministry of Economic Reforms and Public Distribution

TEL: 011-2147414

FAX: 011-2877945

E-mail: prices@statistics.gov.lk

1. Introduction

The Department of Census and Statistics (DCS) has released the National Consumer Price Index (NCPI) and Inflation for the month of June 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 once in two weeks (e.g. leafy vegetables, dried fish, spices, etc.), monthly (e.g. Textile, Footwear, Non-durable household goods etc.) and 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 are taken place.

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

The NCPI for all items for the month of June 2019 was 129.2. An increase of 0.5 index points that is percentage of 0.4 was reported in June 2019 compared to that of May 2019 for which the index was 128.7. This increase represents increase in expenditure value of Rs. 173.30 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 (%)		
	June 2018	May 2019	June 2019	June 2018	May 2019	June 2019	June 2018	May 2019	June 2019
All Items	126.5	128.7	129.2	723.48	435.91	173.30	1.81	1.07	0.42
Food and Non Alcoholic Beverages	129.9	125.1	126.1	619.45	364.34	151.37	1.55	0.89	0.37
Non Food	123.9	131.5	131.6	104.03	71.57	21.93	0.26	0.17	0.05
Alcoholic Beverages, Tobacco and Narcotics	178.0	205.5	201.9	-6.06	3.84	-26.12	-0.02	0.01	-0.06
Clothing and Footwear	122.5	128.4	128.6	-0.06	4.09	2.26	0.00	0.01	0.01
Furnishing, Household equipment and Routine household maintenance	123.4	129.2	129.4	2.55	4.62	2.38	0.01	0.01	0.01
Transport	113.0	116.7	117.7	96.54	28.70	30.96	0.24	0.07	0.07
Restaurants and Hotels	113.5	118.7	119.7	7.96	4.07	12.55	0.02	0.01	0.03
Other Groups	124.8	132.8	132.8	3.11	26.25	-0.10	0.01	0.06	0.00

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

Note 2: For the June 2019, insignificant group 'Miscellaneous Goods and Services' and unchanged groups 'Housing, Water, Electricity, Gas and Other Fuels', 'Health', 'Communication', 'Recreation and Culture' and 'Education' are considered as the 'Other Groups'.

Contribution to M on M Changes:

Contributions to the increase in NCPI on month on month basis (June 2019 as compared to May 2019) are given in Table 02. The increase in the index point by 0.42% was due to the expenditure value increases of food items by 0.37% and non food items by 0.05% respectively.

2.1.1. Contribution of Food items: 0.37%

As shown in Table 02, the increases in expenditure value in index were reported for Fresh fish (0.11%), Big onions (0.09%), Green chillies (0.07%), Red onions (0.06%), Rice (0.05%), Potatoes (0.04%), Limes (0.03%), Dried fish (0.02%), Milk Powder (0.01%) and Banana (0.01%). However, decreases in expenditure value in index were reported for Vegetables (0.06%), Coconuts (0.04%), Chicken (0.02%) and Eggs (0.01%).

2.1.2. Contribution of Non food items: 0.05%

The increases in expenditure value of non food groups in June 2019 compared to the previous month was due to the expenditure value increases in groups of items 'Transport' (Fuel prices and Airline fare) (0.07%), 'Restaurants and Hotels' (0.03%), 'Furnishing, Household equipment and Routine household maintenance' (0.01%) and 'Clothing and Footwear' (0.01%). However, decrease in expenditure value was reported in group of 'Alcoholic beverages, Tobacco and Narcotics' (Betel leaves) (0.06%) compared to the preceding month. Further, very slight decrease in expenditure value was reported in group of 'Miscellaneous Goods and Services'. Meanwhile, the expenditure value of 'Housing, Water, Electricity, Gas and Other Fuels', 'Health', 'Communication', 'Recreation and Culture' and 'Education' groups remained unchanged during the month.

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

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase	Decrease	Net effect
Food	151.37	0.50	0.13	0.37
Fresh fish	45.47	0.11		
Big onions	36.42	0.09		
Green chilies	30.20	0.07		
Red onions	22.96	0.06		
Rice	19.63	0.05		
Potatoes	15.19	0.04		
Limes	13.66	0.03		
Dried fish	9.83	0.02		
Milk Powder	3.94	0.01		
Banana	2.10	0.01		
Vegetables	-25.62		0.06	
Coconuts	-17.31		0.04	
Chicken	-6.49		0.02	
Eggs	-6.03		0.01	
Other food items	7.42	0.02		
Non Food	21.93	0.12	0.06	0.05
Alcoholic beverages, Tobacco and Narcotics	-26.12		0.06	
<i>Betel leaves</i>	-25.89		0.06	
Clothing and Footwear	2.26	0.01		
<i>Clothing</i>	2.26	0.01		
Furnishings, Household equipment and Routing household maintenance	2.38	0.01		
Transport	30.96	0.07		
<i>Petrol</i>	26.93	0.07		
<i>Diesel</i>	-3.66		0.01	
<i>Airline fare</i>	6.83	0.02		
Restaurants and Hotels	12.55	0.03		
Other Groups	-0.10		0.00	
All Items	173.30			0.42

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	All Item				Food				Non Food			
		Index Number	% Change Month to Month	Inflation %		Index Number	% Change Month to Month	Inflation %		Index Number	% 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	June	126.5	1.8	2.5	5.3	129.9	3.4	0.5	7.5	123.9	0.5	4.2	3.6
	July	126.6	0.1	3.4	5.1	129.7	-0.2	2.4	7.0	124.1	0.2	4.3	3.6
	August	125.4	-0.9	2.5	4.7	126.0	-2.9	0.0	6.0	125.0	0.7	4.7	3.6
	September	124.4	-0.8	0.9	4.0	122.8	-2.5	-4.2	4.5	125.7	0.6	5.2	3.6
	October	124.9	0.4	0.1	3.3	122.7	-0.1	-6.6	2.8	126.6	0.7	5.8	3.7
	November	127.7	2.2	1.0	2.7	128.9	5.1	-3.9	1.2	126.7	0.1	5.2	4.0
	December	127.1	-0.5	0.4	2.1	128.4	-0.4	-4.5	-0.2	126.1	-0.5	4.7	4.1
2019	January	127.3	0.2	1.2	1.8	125.8	-2.0	-4.8	-1.3	128.5	1.9	6.5	4.4
	February	126.7	-0.5	2.4	1.7	122.9	-2.3	-2.9	-1.9	129.7	0.9	6.7	4.8
	March	126.4	-0.2	2.9	1.7	121.4	-1.2	-2.3	-2.3	130.3	0.5	7.1	5.1
	April	127.3	0.7	3.6	1.9	122.5	0.9	-1.2	-2.3	131.1	0.6	7.5	5.5
	May	128.7	1.1	3.5	2.0	125.1	2.1	-0.4	-2.4	131.5	0.3	6.7	5.7
	June	129.2	0.4	2.1	2.0	126.1	0.8	-2.9	-2.7	131.6	0.1	6.2	5.9

3.1. Year on Year (Y on Y) Inflation

The overall rate of inflation as measured by NCPI on Y on Y basis is 2.1% in June 2019 and inflation calculated for May 2019 was 3.5% (Table 03). Y on Y inflation of food group has decreased from -0.4% in May 2019 to -2.9% in June 2019 and that of non-food group has also decreased from 6.7% to 6.2% during this month.

Contribution to Y on Y inflation:

On year on year basis, contribution of food commodities to inflation was -1.32 percent in June 2019 compared to that of June 2018 (Table 04).

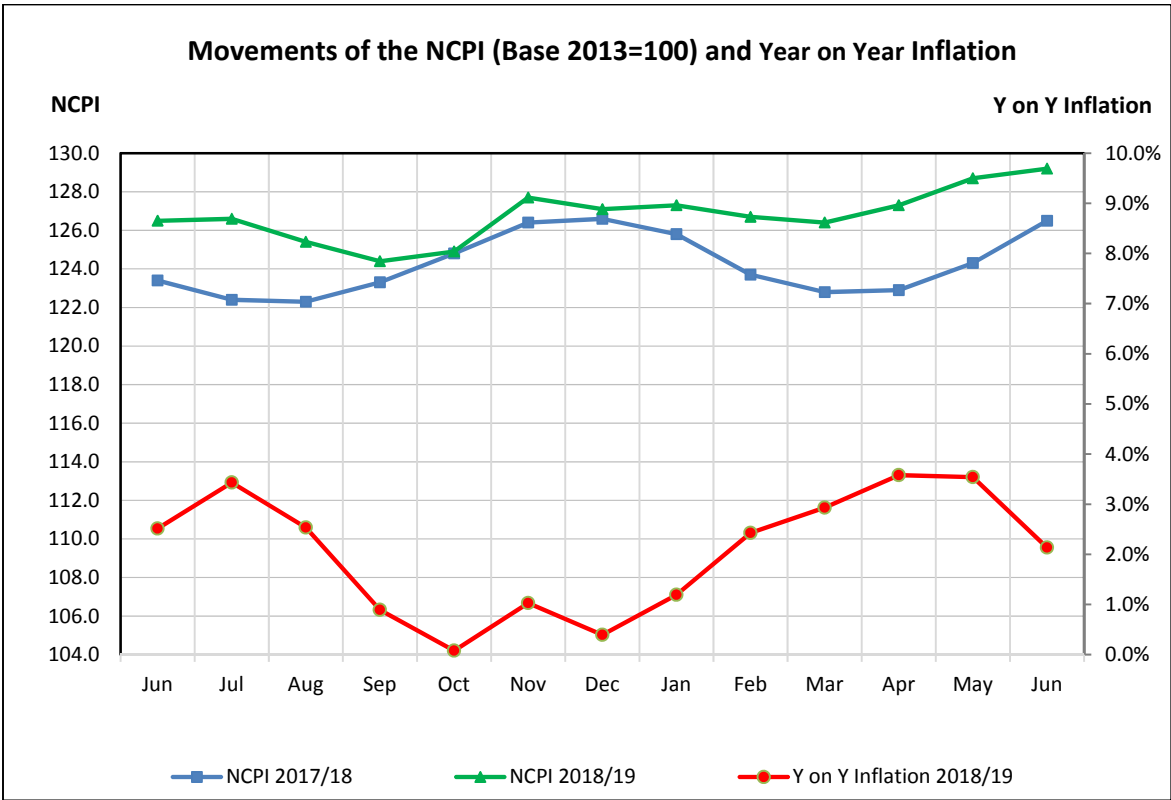
Contribution of non food items was 3.42 percent. This was mainly due to expenditure value increases in groups of 'Housing, Water, Electricity, Gas and Other fuels' (1.26%), 'Alcoholic beverages, Tobacco and Narcotics' (0.43%), 'Health' (0.38%), 'Transport' (0.36%), 'Miscellaneous Goods and Services' (0.33%), 'Education' (0.22%), 'Restaurant and Hotels' (0.19%), 'Clothing and Footwear' (0.17%), 'Furnishing, Household equipment and Routine household maintenance' (0.16%), and 'Recreation and Culture' (0.09%). 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
(June 2019 as compared to June 2018)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase %	Decrease %	Net effect %
Food	-535.90			-1.32
Non Food	1389.48	3.59	0.18	3.42
Alcoholic beverages, Tobacco and Narcotics	174.35	0.43		
<i>Arrack</i>	35.29	0.09		
<i>Cigarettes</i>	66.27	0.16		
<i>Betel leaves</i>	54.29	0.13		
<i>Arecanuts</i>	-11.32		0.03	
<i>Bulathwita</i>	20.62	0.05		
Clothing and Footwear	67.12	0.17		
<i>Clothing</i>	62.39	0.15		
<i>Footwear</i>	4.73	0.01		
Housing, Water, Electricity, Gas and Other fuels	514.48	1.26		
<i>Housing Rent</i>	474.88	1.17		
<i>Material for the maintenance</i>	36.10	0.09		
<i>LP Gas</i>	6.20	0.02		
<i>Kerosene oil</i>	-12.42		0.03	
Furnishings, Household equipment and Routing household maintenance	63.12	0.16		
Health	156.46	0.38		
<i>Purchase of medical/pharmacy products</i>	18.49	0.05		
<i>Spectacles</i>	13.59	0.03		
<i>Fees to private medical practices</i>	22.75	0.06		
<i>Payments to medical laboratories</i>	28.85	0.07		
<i>Fees to Aurvadic practitioners</i>	19.27	0.05		
<i>Payments to private hospitals/ nursing homes</i>	45.32	0.11		
Transport	147.12	0.36		
<i>Purchase of vehicles</i>	51.44	0.13		
<i>Petrol</i>	19.32	0.05		
<i>Diesel</i>	-11.53		0.03	
<i>Train fare</i>	6.32	0.02		
<i>bus fare</i>	-10.11		0.02	
<i>Van fare(other than schooling)</i>	17.00	0.04		
<i>Taxi/three wheelers fare(other than schooling)</i>	17.25	0.04		
<i>Transport for schooling/pre-schooling</i>	14.74	0.04		
Communication	-72.65		0.18	
<i>Telephone charges - Home fixed phone</i>	-26.90		0.07	
<i>Telephone charges - mobile</i>	-46.48		0.11	
Recreation and Culture	38.25	0.09		
Education	90.26	0.22		
<i>Tuition fees</i>	73.15	0.18		
Restaurant and Hotels	78.08	0.19		
Miscellaneous Goods and Services	132.87	0.33		
All Items	853.58			2.10

3.2. Moving Average Inflation

The moving average inflation for the month of June 2019 is 2.0%. The moving average inflation remained unchanged in June 2019 relative to May 2019.



Director General,
 Department of Census and Statistics.