



PRESS RELEASE

THE NATIONAL CONSUMER PRICE INDEX (BASE 2013=100) – MARCH 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 March 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 March 2019 was 126.4. A decrease of 0.3 index points that is percentage of 0.2 was reported in March 2019 compared to that of February 2019 for which the index was 126.7. This decrease represents decrease in expenditure value of Rs. 105.64 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 (%)		
	Mar 2018	Feb 2019	Mar 2019	Feb 2018	Mar 2019	Feb 2019	Feb 2018	Mar 2019	Feb 2019
All Items	122.8	126.7	126.4	-285.29	-190.42	-105.64	-0.72	-0.47	-0.26
Food and Non Alcoholic Beverages	124.3	122.9	121.4	-318.52	-410.49	-208.16	-0.80	-1.00	-0.51
Non Food	121.7	129.7	130.3	33.23	220.07	102.52	0.08	0.54	0.25
Alcoholic Beverages, Tobacco and Narcotics	178.2	191.1	199.0	8.08	18.58	57.63	0.02	0.05	0.14
Clothing and Footwear	121.7	126.6	127.2	4.50	12.34	6.68	0.01	0.03	0.02
Furnishing, Household Equipment and Routine Household Maintenance	122.5	127.9	128.2	1.94	7.92	3.06	0.00	0.02	0.01
Transport	105.6	113.7	114.5	6.89	28.43	23.85	0.02	0.07	0.06
Miscellaneous Goods and Services	132.0	138.6	139.2	8.78	13.15	9.97	0.02	0.03	0.02
Other Group	121.0	129.5	129.5	3.03	139.66	1.34	0.01	0.34	0.00

Note 1: There are 12 main groups of the market basket. Monthly significant changes were noted in only six main groups in March 2019, details on which are given in Table 02. Percentages of items may not tally with overall percentage due to rounding off.

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

Contribution to M on M Changes:

Contributions to the decrease in NCPI on month on month basis (March 2019 as compared to February 2019) are given in Table 02. The decrease in the index point by 0.26% was due to the expenditure value decrease of food items by 0.51% and expenditure value increase of non food items by 0.25%.

2.1.1. Contribution of Food items: -0.51%

As shown in Table 02, the decreases in expenditure value in index were reported for Rice (0.27%), Coconuts (0.10%), Vegetables (0.07%), Fresh Fish (0.04%), Papaw (0.04%), Eggs (0.03%), Green Chilies (0.02%), Red Onions (0.02%), Big Onions (0.01%), Banana (0.01%), Limes (0.01%) and Potatoes (0.01%). However, increases in expenditure value in index were reported for Garlic (0.05%), Biscuits (0.01%) and Chicken (0.01%).

2.1.2. Contribution of Non food items: 0.25%

The increases in expenditure value of non food groups in March 2019 compared to the previous month was due to the expenditure value increases in groups of items 'Alcoholic beverages, Tobacco and Narcotics' (Cigarettes, Arrack and Betel leaves) (0.14%), 'Transport' (Fuel prices, Purchase of Vehicles) (0.06%), 'Miscellaneous Goods and Services' (0.02%), 'Clothing and Footwear' (0.02%) and 'Furnishing, Household equipment and Routine household maintenance' (0.01%). Further, very slight increase in expenditure value was reported in group of 'Housing, Water, Electricity, Gas and Other Fuels'. Meanwhile, the expenditure value of 'Health', 'Communication', 'Recreation and Culture', 'Education' and 'Restaurants and Hotels' groups remained unchanged during the month.

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

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase	Decrease	Net effect
Food	-208.16	0.13	0.64	-0.51
Rice	-109.77		0.27	
Coconuts	-40.10		0.10	
Vegetables	-27.87		0.07	
Fresh fish	-17.96		0.04	
Papaw	-16.82		0.04	
Eggs	-13.22		0.03	
Green chilies	-8.65		0.02	
Red onions	-7.94		0.02	
Big onions	-5.17		0.01	
Banana	-4.46		0.01	
Limes	-3.90		0.01	
Potatoes	-3.68		0.01	
Garlic	19.70	0.05		
Biscuits	4.86	0.01		
Chicken	3.79	0.01		
Other food items	23.04	0.06		
Non Food	102.52	0.25		0.25
Alcoholic beverages, Tobacco and Narcotics	57.63	0.14		
<i>Arrack</i>	14.00	0.03		
<i>Cigarettes</i>	34.88	0.09		
<i>Betel leaves</i>	10.05	0.02		
Clothing and Footwear	6.68	0.02		
<i>Clothing</i>	6.68	0.02		
Furnishings, Household equipment and Routing household maintenance	3.06	0.01		
Transport	23.85	0.06		
<i>Purchase of Vehicles</i>	4.06	0.01		
<i>Petrol</i>	8.81	0.02		
<i>Diesel</i>	9.24	0.02		
Miscellaneous Goods and Services	9.97	0.02		
Other Group	1.34	0.00		
All Items	-105.64			-0.26

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	March	122.8	-0.7	2.8	6.7	-1.8	2.6	10.2	0.2	2.9	3.9
	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

3.1. Year on Year (Y on Y) Inflation

The overall rate of inflation as measured by NCPI on Y on Y basis is 2.9% in March 2019 and inflation calculated for February 2019 was 2.4% (Table 03). Y on Y inflation of food group has increased from -2.9% in February 2019 to -2.3% in March 2019 and that of non-food group has also increased from 6.7% to 7.1% during this month.

Contribution to Y on Y inflation:

On year on year basis, contribution of food commodities to inflation was -1.05 percent in March 2019 compared to that of March 2018 (Table 04).

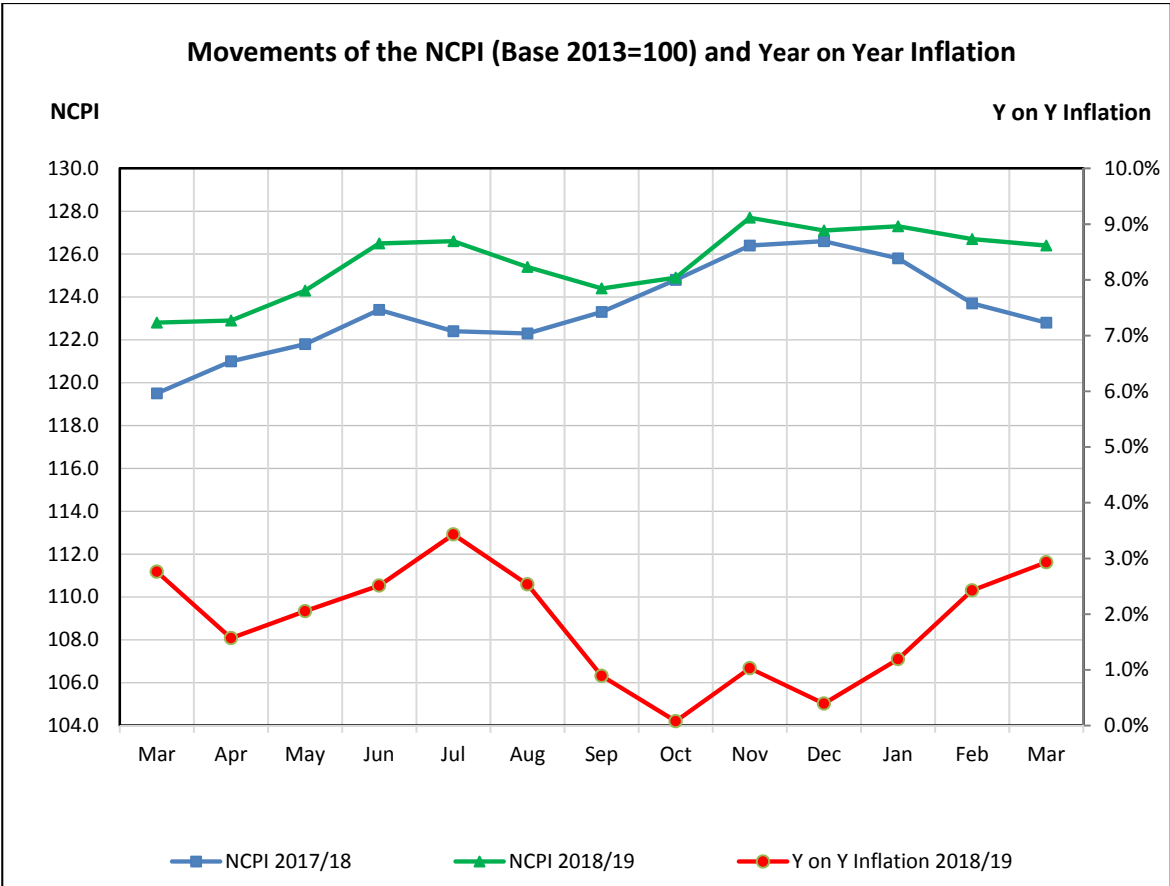
Contribution of non food items was 3.91 percent. This was mainly due to expenditure value increases in groups of 'Housing, Water, Electricity, Gas and Other fuels' (1.52%), 'Transport' (0.71%), 'Health' (0.42%), 'Alcoholic beverages, Tobacco and Narcotics' (0.38%), 'Miscellaneous Goods and Services' (0.27%), 'Education' (0.23%), 'Restaurant and Hotels' (0.18%), 'Furnishing, Household equipment and Routine household maintenance' (0.15%), 'Clothing and Footwear' (0.15%) 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
(March 2019 as compared to March 2018)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase %	Decrease %	Net effect %
Food	-415.32			-1.05
Non Food	1544.61	4.09	0.18	3.91
Alcoholic beverages, Tobacco and Narcotics	151.51	0.38		
<i>Arrack</i>	32.61	0.08		
<i>Cigarettes</i>	59.58	0.15		
<i>Betel leaves</i>	40.53	0.10		
<i>Bulathwita</i>	18.06	0.05		
Clothing and Footwear	60.66	0.15		
<i>Clothing</i>	55.93	0.14		
<i>Footwear</i>	4.73	0.01		
Housing, Water, Electricity, Gas and Other fuels	598.24	1.52		
<i>Housing Rent</i>	474.88	1.20		
<i>Material for the maintenance</i>	54.80	0.14		
<i>LP Gas</i>	32.84	0.08		
<i>Kerosene oil</i>	26.05	0.07		
Furnishings, Household equipment and Routing household maintenance	60.80	0.15		
Health	164.75	0.42		
<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 laboratories</i>	22.10	0.06		
<i>Fees to Aurvadic practitioners</i>	19.27	0.05		
<i>Payments to private hospitals/ nursing homes</i>	45.32	0.11		
Transport	278.86	0.71		
<i>Purchase of vehicles</i>	14.34	0.04		
<i>Petrol</i>	66.21	0.17		
<i>Diesel</i>	20.46	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		
Communication	-72.41		0.18	
<i>Telephone charges - Home fixed phone</i>	-26.90		0.07	
<i>Telephone charges - mobile</i>	-46.48		0.12	
Recreation and Culture	37.30	0.09		
Education	90.26	0.23		
<i>Tuition fees</i>	73.15	0.19		
Restaurant and Hotels	69.41	0.18		
Miscellaneous Goods and Services	105.23	0.27		
All Items	1129.29			2.86

3.2. Moving Average Inflation

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



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