



PRESS RELEASE

THE NATIONAL CONSUMER PRICE INDEX (BASE 2013=100) – MARCH 2018

Department of Census and Statistics

Ministry of National Policies and Economic Affairs

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 March 2018.

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 2018 was 122.8. A decrease of 0.9 index points that is percentage of 0.7 was reported in March 2018 compared to that of February 2018 for which the index was 123.7. This decrease represents decrease in expenditure value of Rs. 285.29 in the "Market Basket".

Monthly changes of index number, expenditure values and percentage change of index number 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 2017	Feb 2018	Mar 2018	Mar 2017	Feb 2018	Mar 2018	Mar 2017	Feb 2018	Mar 2018
All Items	119.5	123.7	122.8	-135.42	-648.77	-285.29	-0.35	-1.61	-0.72
Food and Non Alcoholic Beverages	121.1	126.6	124.3	-146.54	-791.06	-318.52	-0.38	-1.96	-0.80
Non Food	118.3	121.5	121.7	11.12	142.29	33.23	0.03	0.35	0.08
Alcoholic Beverages, Tobacco and Narcotics	174.1	177.1	178.2	-0.52	7.67	8.08	0.00	0.02	0.02
Clothing and Footwear	117.1	121.3	121.7	4.22	14.08	4.50	0.01	0.03	0.01
Transport	102.2	105.4	105.6	0.00	5.00	6.89	0.00	0.01	0.02
Recreation and Culture	110.9	113.4	114.0	-0.23	3.72	3.03	0.00	0.01	0.01
Miscellaneous Goods and Services	124.3	131.4	132.0	2.06	11.34	8.78	0.01	0.03	0.02
Other	118.8	121.5	121.5	5.59	100.48	1.94	0.01	0.25	0.00

*Note: There are 12 main groups of the market basket. Monthly significant changes were noted in only six main groups in March 2018.

2.1. Contribution to M on M Changes:

Contributions to the decrease in NCPI on month on month basis (March 2018 as compared to February 2018) are given in Table 02. The decrease in the index point by 0.72% was due to the expenditure value decrease of food items by 0.80% and increase of non-food items by 0.08%.

2.1.1. Contribution of Food items: - 0.80%

As shown in Table 02, the decreases in expenditure value of food items in index were reported for Vegetables (0.29%), Big onions (0.17%), Rice (0.10%), Red onions (0.10%), Banana (0.07%), Fresh fish (0.06%), Green chilies (0.02%), Potatoes (0.02%) and Coconuts (0.01%). However, increases in expenditure value in index were reported for Sprats(dry) (0.01%), Infant milk powder(0.01%), Eggs (0.01%) and Limes (0.01%).

2.1.2. Contribution of Non food items: 0.08%

The increases in expenditure value in index was due to price increases of some items in non food commodity groups of 'Miscellaneous Goods and Services' (0.02%), 'Alcoholic beverages, Tobacco and Narcotics' (0.02%), 'Transport' (0.02%), 'Clothing and Footwear' (0.01%) and Recreation and Culture (0.01%). In the 'Transport' group expenditure value increase was due to increase in price of fuel by one of the suppliers with effect from 24 March, 2018. Also in the 'Recreation and Culture' group expenditure value increase was due to price increase of news papers with effect from March, 2018. Further, very slight increase were reported in prices of some items in the group of 'Furnishing, Household equipment and Routine household maintenance' compared to the preceding month. Meanwhile, prices of items in 'Housing, Water, Electricity, Gas and Other fuels', 'Health', 'Communication', 'Education' and 'Restaurants & Hotels' groups remained unchanged during the month.

**Table 02: Contribution to the decrease in NCPI (Base 2013=100) on month on month basis
(March 2018 as compared to February 2018)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase	Decrease	Net effect
Food	-318.52	0.04	0.84	-0.80
Vegetables	-115.56		0.29	
Big onions	-66.79		0.17	
Rice	-40.18		0.10	
Red onions	-38.65		0.10	
Banana	-26.49		0.07	
Fresh fish	-24.62		0.06	
Green chilies	-8.84		0.02	
Potatoes	-7.35		0.02	
Coconuts	-2.93		0.01	
Sprats(dry)	5.52	0.01		
Infant milk powder	4.01	0.01		
Eggs	3.97	0.01		
Limes	3.29	0.01		
Other food items	-3.91		0.01	
Non Food	33.23	0.08		0.08
Alcoholic beverages, Tobacco and Narcotics	8.08	0.02		
<i>Beetle leaves</i>	4.67	0.01		
<i>Bulathwita</i>	2.03	0.01		
Clothing and Footwear	4.50	0.01		
Transport	6.89	0.02		
<i>Petrol</i>	5.91	0.01		
<i>Diesel</i>	1.25	0.00		
Recreation and Culture	3.03	0.01		
<i>News Papers</i>	3.03	0.01		
Miscellaneous Goods and Services	8.78	0.02		
Other groups	1.94	0.00		
All Items	-285.29			-0.72

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.
2017	March	119.5	-0.3	8.6	5.6	-0.8	11.2	5.8	0.1	6.7	5.5
	April	121.0	1.3	8.4	6.0	2.7	11.8	6.4	0.1	5.9	5.7
	May	121.8	0.7	7.1	6.1	1.0	10.6	6.9	0.3	4.5	5.6
	June	123.4	1.3	6.3	6.1	2.9	8.6	7.0	0.1	4.4	5.5
	July	122.4	-0.8	6.3	6.2	-1.9	8.2	7.1	0.1	4.7	5.5
	August	122.3	-0.1	7.9	6.5	-0.6	12.1	7.7	0.3	4.8	5.5
	September	123.3	0.8	8.6	6.8	1.7	13.9	8.5	0.1	4.5	5.5
	October	124.8	1.2	8.8	7.1	2.5	14.7	9.3	0.0	4.1	5.4
	November	126.4	1.3	8.4	7.5	2.1	15.7	10.5	0.6	2.7	5.1
	December	126.6	0.2	7.3	7.7	0.2	12.8	11.3	0.0	2.9	4.9
2018	January	125.8	-0.6	5.4	7.6	-1.6	9.0	11.5	0.2	2.5	4.5
	February	123.7	-1.7	3.2	7.2	-4.2	3.7	10.9	0.7	2.8	4.2
	March	122.8	-0.7	2.8	6.7	-1.8	2.6	10.2	0.2	2.9	3.9

3.1. Year on Year (Y on Y) Inflation

The overall rate of inflation as measured by NCPI on Y on Y basis is 2.8% in March 2018 and inflation calculated for February 2018 was 3.2% (Table 03). Y on Y inflation of food group has decreased from 3.7% in February 2018 to 2.6% in March 2018 and that of non-food group has increased from 2.8% to 2.9% during this month.

Contribution to Y on Y inflation:

On year on year basis, contribution of food commodities to inflation was 1.19 percent in March 2018 compared to that of March 2017 (Table 04).

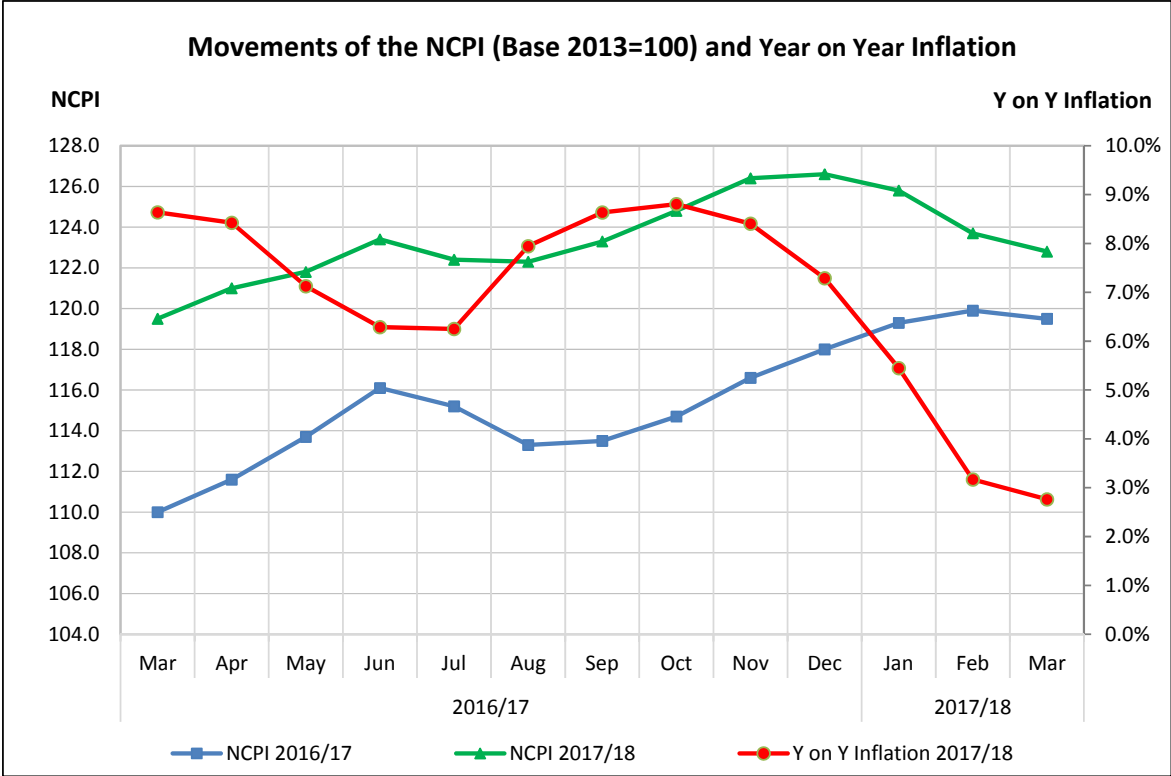
Contribution of non food items was 1.59 percent. This was mainly due to expenditure value increases in groups of 'Miscellaneous Goods and Services' (0.29%), 'Transport' (0.27%), 'Health' (0.26%), 'Education' (0.17%), 'Furnishing Household equipment and Routine household maintenance' (0.15%), 'Clothing and Footwear' (0.13%) and 'Housing, Water, Electricity, Gas and Other fuels' (0.11%). However, decrease in expenditure value was reported for group of 'Communication' (0.01%).

**Table 04: Contribution to the increase in NCPI (Base 2013=100) on year on year basis
(March 2018 as compared to March 2017)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase %	Decrease %	Net effect %
Food	456.48			1.19
<i>Coconuts</i>	423.30	1.10		
<i>Vegetables</i>	57.76	0.15		
<i>Rice</i>	143.52	0.37		
<i>Mysore dhal</i>	-94.63		-0.25	
Non Food	610.97	1.60	0.01	1.59
Alcoholic beverages, Tobacco and Narcotics	29.78	0.08		
Clothing and Footwear	50.86	0.13		
Housing, Water, Electricity, Gas and Other fuels	41.93	0.11		
<i>Material for the maintenance</i>	30.21	0.08		
<i>LP Gas</i>	11.62	0.03		
Furnishings, Household equipment and Routing household maintenance	59.49	0.15		
Health	99.41	0.26		
<i>Fees to private medical practices</i>	19.47	0.05		
<i>Payments to private hospitals room charges</i>	59.79	0.16		
Transport	104.20	0.27		
<i>Bus fare</i>	31.77	0.08		
<i>Purchase of vehicles</i>	21.11	0.05		
<i>Van fare(other than schooling)</i>	11.11	0.03		
<i>Petrol</i>	5.91	0.02		
Communication	-2.10		0.01	
<i>Internet charges</i>	-2.46		0.01	
Recreation and Culture	16.09	0.04		
<i>News Papers</i>	3.03	0.01		
Education	67.20	0.17		
<i>Tuition fees</i>	49.50	0.13		
Restaurant and Hotels	31.99	0.08		
Miscellaneous Goods and Services	112.13	0.29		
All Items	1067.44			2.78

3.2. Moving Average Inflation

The moving average inflation for the month of March 2018 is 6.7%. The corresponding rate for the month of February 2018 was 7.2%.



Actg. Director General,
 Department of Census and Statistics.