

**NEWS RELEASE****THE NATIONAL CONSUMER PRICE INDEX (BASE 2013=100): December 2019****Department of Census and Statistics****State Ministry of Economic and Policy Development****TEL: 011-2147414****FAX: 011-2877945****E-mail: prices@statistics.gov.lk**

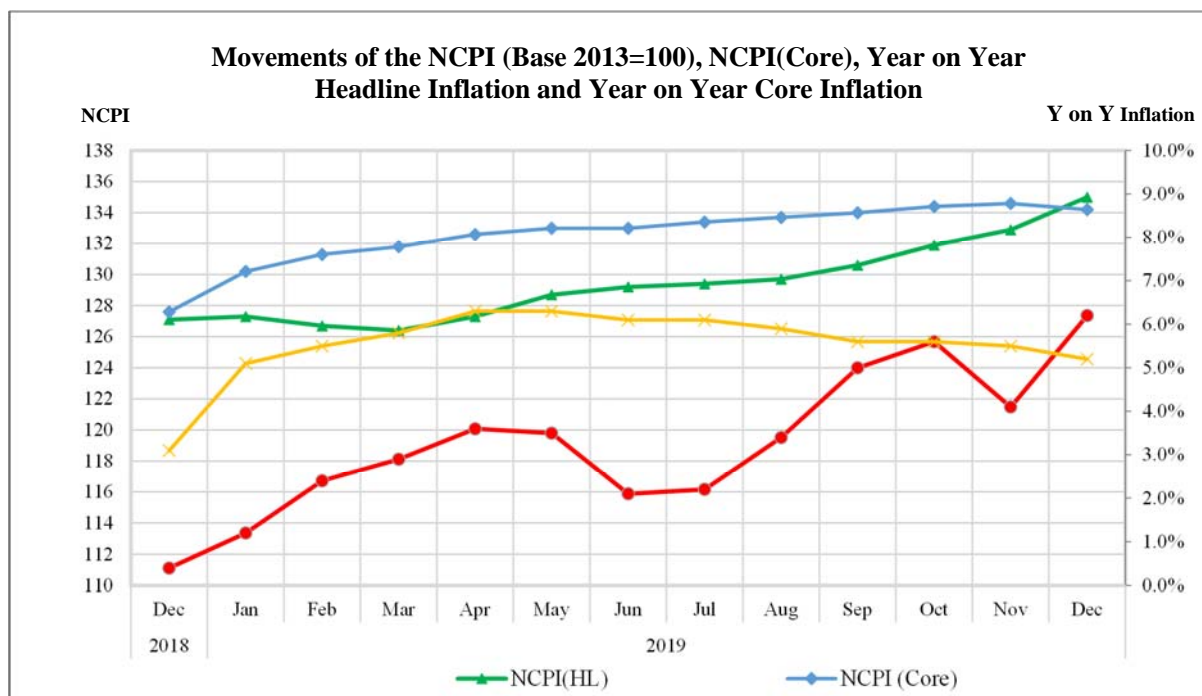
Issuing the National Consumer Price Index (NCPI), for the month of December 2019, the Director General of Census and Statistics said that headline inflation as measured by the Year-on-Year change (The percentage change in the current month NCPI over same month NCPI of last year) based on the NCPI has been compiled as 6.2%. The headline inflation reported for the month of November 2019 was 4.1%. Contributions to the inflation rate of December 2019 from food group and non-food group are 3.8% and 2.4% respectively. Whilst contributions of food and non-food groups to the inflation in December 2018 were -2.1% and 2.5% respectively, resulting in a headline inflation of 0.4%. With respect to December 2018, the reported increase in percentage of food group was mainly due to higher price levels prevailed in this month of December 2019, particularly prices of rice, vegetables, fresh fish, red onions and big onions.

Comparing the month-on-month changes, NCPI in December 2019 has increased to 135.0 from 132.9 reported in November 2019. This shows an increase of 2.1 index points or 1.6 percentage as compared to November 2019. This month-on-month change was contributed by increase of index values of food items by 1.82% and decrease of index values of non-food items by 0.25%.

Price increases of food items were reported for vegetables, rice, red onions, coconuts, fresh fish, potatoes, coconut oil, chili powder and papaw. However, price decreases of food items were reported for big onions, limes, banana and green chilies.

The decreases in index values of non-food groups in December 2019 compared to the previous month was due to the price decreases in groups of items 'Communication' (*Telephone charges-Home fixed phone, Telephone charges-mobile and Email/internet charges*), 'Miscellaneous Goods and Services' (*Car Insurance*), 'Housing, Water, Electricity, Gas and Other fuels' (*Water bills and Maintenance/Reconstruction*), 'Health' (*Payments to private hospitals room charges*), 'Recreation and Culture' (*Cable/Satellite TV charges*) and 'Furnishings, Household equipment and Routing household maintenance'. However, increases in prices were reported in groups of 'Alcoholic Beverages, Tobacco & Narcotics' (*Beer and Betel leaves*), 'Transport' (*Airline fare*) and 'Clothing and Footwear' compared to the preceding month. Meanwhile, the price index of 'Education' and 'Restaurants and Hotels' groups remained unchanged during the month. The index value decreases in non-food groups were due to reduction of VAT from 15% to 8%, reduction of telecommunication levy and removal of NBT with effect from 01 December, 2019.

Core inflation, which reflects the underlying inflation by excluding volatile items of food, energy and transport groups in the economy as measured by the Year-on-Year change based on NCPI for the month of December 2019 has declined to 5.2% from 5.5% in November 2019.



Movements of the NCPI (Base : 2013 = 100)

Year	Month	Index Number		Month to Month % change of Index Number		Year on Year Inflation %	
		NCPI(HL)	NCPI (Core)	NCPI(HL)	NCPI (Core)	NCPI(HL)	NCPI (Core)
2018	December	127.1	127.6	-0.5	0.0	0.4	3.1
2019	January	127.3	130.2	0.2	2.0	1.2	5.1
	February	126.7	131.3	-0.5	0.8	2.4	5.5
	March	126.4	131.8	-0.2	0.4	2.9	5.8
	April	127.3	132.6	0.7	0.6	3.6	6.3
	May	128.7	133.0	1.1	0.3	3.5	6.3
	June	129.2	133.0	0.4	0.0	2.1	6.1
	July	129.4	133.4	0.2	0.3	2.2	6.1
	August	129.7	133.7	0.2	0.2	3.4	5.9
	September	130.6	134.0	0.7	0.2	5.0	5.6
	October	131.9	134.4	1.0	0.3	5.6	5.6
	November	132.9	134.6	0.8	0.1	4.1	5.5
	December	135.0	134.2	1.6	-0.3	6.2	5.2