



WEB RELEASE

THE NATIONAL CONSUMER PRICE INDEX (BASE 2013=100) – JUNE 2020

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1. Introduction

The Department of Census and Statistics (DCS) has released the National Consumer Price Index (NCPI) and Inflation rate for the month of June 2020.

The NCPI has been released 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 every 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 every two weeks (e.g. leafy vegetables, dried fish, spices, etc.), monthly (e.g. Textile, Footwear, Non-durable household goods etc.) or 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 take place.

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

The NCPI for all items for the month of June 2020 was 137.3. An increase of 1.9 index points or 1.4 percentage compared to May 2020 for which the index was 135.4. This increase represents increase in expenditure value of Rs. 613.61 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 2019	May 2020	June 2020	June 2019	May 2020	June 2020	June 2019	May 2020	June 2020
All Items	129.2	135.4	137.3	173.30	200.01	613.61	0.42	0.46	1.41
Food and Non Alcoholic Beverages	126.1	139.0	143.2	151.37	210.57	600.11	0.37	0.49	1.38
Non Food	131.6	132.6	132.6	21.93	-10.56	13.50	0.05	-0.02	0.03
Alcoholic Beverages, Tobacco and Narcotics	201.9	204.9	204.3	-26.12	-45.58	-4.17	-0.06	-0.11	-0.01
Clothing and Footwear	128.6	131.4	132.0	2.26	0.18	5.67	0.01	0.00	0.01
Housing, Water, Electricity, Gas and Other Fuels	126.6	127.8	127.6	0.00	0.00	-11.61	0.00	0.00	-0.03
Health	163.0	163.5	163.9	0.00	0.00	4.53	0.00	0.00	0.01
Transport	117.7	118.3	118.7	30.96	13.36	11.82	0.07	0.03	0.03
Restaurants and Hotels	119.7	120.2	120.9	12.55	0.00	8.20	0.03	0.00	0.02
Other Groups	131.2	131.7	131.7	2.28	21.48	-0.94	0.01	0.05	0.00

Note 1: There are 12 main groups of the market basket. Monthly significant changes were noted in seven main groups in June 2020, details on which are given in Table 02.

Note 2: For the June 2020, insignificant groups 'Furnishing, Household Equipment and Routine Household Maintenance', 'Recreation and Culture', 'Miscellaneous Goods And Services' and unchanged groups 'Communication' and 'Education' are considered as the 'Other Groups'.

Contribution to Month-on-Month Changes:

Contributions to the NCPI on Month-on-Month basis (June 2020 as compared to May 2020) are given in Table 02. The month-on-month change was contributed by increase of index value of food items by 1.38% and non-food items by 0.03% respectively.

2.1.1. Contribution of Food items: 1.38%

As shown in Table 02, the increases in index values were reported for Vegetables (0.38%), Sugar (0.15%), Fresh fish (0.14%), Eggs (0.13%), Rice (0.12%), Turmeric powder (0.11%), Chicken (0.11%), Potatoes (0.09%), Coconut oil (0.09%), Limes (0.04%), Mysore dhal (0.03%), Fresh fruits (0.02%), Biscuits (0.02%), Coconuts (0.01%), Green Gram (0.01%), Papadam (0.01%), Cowpea (0.01%) and Canned fish (0.01%). However, decreases in index values were reported for Garlic (0.06%), Dried fish (0.02%), Dried chilies (0.02%), Bread fruit (0.02%), Chili powder (0.01%) and Curry powder (0.01%).

2.1.2. Contribution of Non-food items: 0.03%

The increases in index values of non-food groups in June 2020 compared to the previous month was due to the price increases in groups of items 'Clothing and Footwear' (0.01%), 'Health' (0.01%), 'Transport' (*Purchase of vehicles*) (0.03%) and 'Restaurants and Hotels' (0.02%). However, price decreases in groups of items were reported for 'Alcoholic Beverages, Tobacco & Narcotics' (*Betel leaves*) (0.01%) and 'Housing, Water, Electricity, Gas and Other fuels' (*Materials for the Maintenance*) (0.03%). Further, very slight price increases were reported in group of 'Furnishing, Household equipment Routine household maintenance' compared to the preceding month and very slight price decreases were reported in groups of 'Recreation and Culture' and 'Miscellaneous Goods and Services' compared to the preceding month. Meanwhile, the price indices of 'Communication' 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 2020 as compared to May 2020)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		Net effect
		Increase	Decrease	
Food	600.11	1.52	0.14	1.38
Vegetables	163.32	0.38		
Sugar	67.40	0.15		
Fresh fish	62.61	0.14		
Eggs	58.01	0.13		
Rice	53.08	0.12		
Turmeric powder	49.20	0.11		
Chicken	45.99	0.11		
Potatoes	38.95	0.09		
Coconut oil	38.52	0.09		
Limes	15.67	0.04		
Mysour Dhal	14.33	0.03		
Fresh fruits	10.58	0.02		
<i>Banana</i>	23.41	0.05		
<i>Mangoes</i>	-12.36		0.03	
Biscuits	9.98	0.02		
Coconuts	4.28	0.01		
Green gram	4.00	0.01		
Papadam	3.95	0.01		
Cowpea	3.19	0.01		
Canned fish	2.83	0.01		
Garlic	-26.66		0.06	
Dried fish	-9.67		0.02	
<i>Sprats (dry)</i>	-9.57		0.02	
Dried chilies	-8.70		0.02	
Bread fruit	-8.13		0.02	
Chilly powder	-5.18		0.01	
Curry powder	-2.38		0.01	
Other food items	14.93	0.03		
Non Food	13.50	0.07	0.04	0.03
Alcoholic Beverages, Tobacco & Narcotics	-4.17		0.01	
<i>Betel leaves</i>	-7.67		0.02	
<i>Arecanuts</i>	2.67	0.01		
Clothing and Footwear	5.67	0.01		
Housing, Water, Electricity, Gas and Other Fuels	-11.61		0.03	
<i>Materials for the Maintenance</i>	-11.61		0.03	
Health	4.53	0.01		
<i>Purchase of medical/ pharmacy products</i>	2.78	0.01		
<i>Consultation fees to specialists</i>	3.15	0.01		
Transport	11.82	0.03		
<i>Bicycles/ Motor cycles/ Scooters</i>	2.40	0.01		
<i>Three Wheelers</i>	10.98	0.03		
Restaurants and Hotels	8.20	0.02		
Other Groups	-0.94		0.00	
All Items	613.61			1.41

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 the 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).

Year	Month	All Item				Food				Non Food			
		Index Number	% Change Month on Month	Inflation %		Index Number	% Change Month on Month	Inflation %		Index Number	% Change Month on Month	Inflation %	
				Y on Y	12 Month Moving Avg.			Y on Y	12 Month Moving Avg.			Y on Y	12 Month Moving Avg.
2019	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
	July	129.4	0.2	2.2	1.9	126.5	0.3	-2.5	-3.1	131.7	0.1	6.1	6.0
	August	129.7	0.2	3.4	2.0	126.8	0.2	0.6	-3.0	132.0	0.2	5.6	6.1
	September	130.6	0.7	5.0	2.3	128.8	1.6	4.9	-2.3	132.1	0.1	5.1	6.1
	October	131.9	1.0	5.6	2.8	131.7	2.3	7.3	-1.1	132.0	-0.1	4.3	6.0
	November	132.9	0.8	4.1	3.0	134.1	1.8	4.0	-0.5	132.0	0.0	4.2	5.9
	December	135.0	1.6	6.2	3.5	139.5	4.0	8.6	0.7	131.4	-0.5	4.2	5.8
2020	January	137.0	1.5	7.6	4.1	143.0	2.5	13.7	2.2	132.3	0.7	3.0	5.5
	February	137.0	0.0	8.1	4.5	142.9	-0.1	16.3	3.8	132.4	0.1	2.1	5.1
	March	135.2	-1.3	7.0	4.9	138.5	-3.1	14.1	5.1	132.6	0.2	1.8	4.7
	April	134.8	-0.3	5.9	5.1	137.5	-0.7	12.2	6.2	132.6	0.0	1.1	4.2
	May	135.4	0.4	5.2	5.2	139.0	1.1	11.1	7.2	132.6	0.0	0.8	3.7
	June	137.3	1.4	6.3	5.6	143.2	3.0	13.6	8.6	132.6	0.0	0.8	3.2

3.1. Year-on-Year Inflation

The overall rate of inflation as measured by NCPI on Year-on-Year basis is 6.3% in June 2020 and inflation calculated for May 2020 was 5.2% (Table 03). Year-on-Year inflation of food group has increased from 11.1% in May 2020 to 13.6% in June 2020 while that of non-food group remained unchanged during the month.

Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was 5.82 percent in June 2020 compared to that of June 2019 (Table 04).

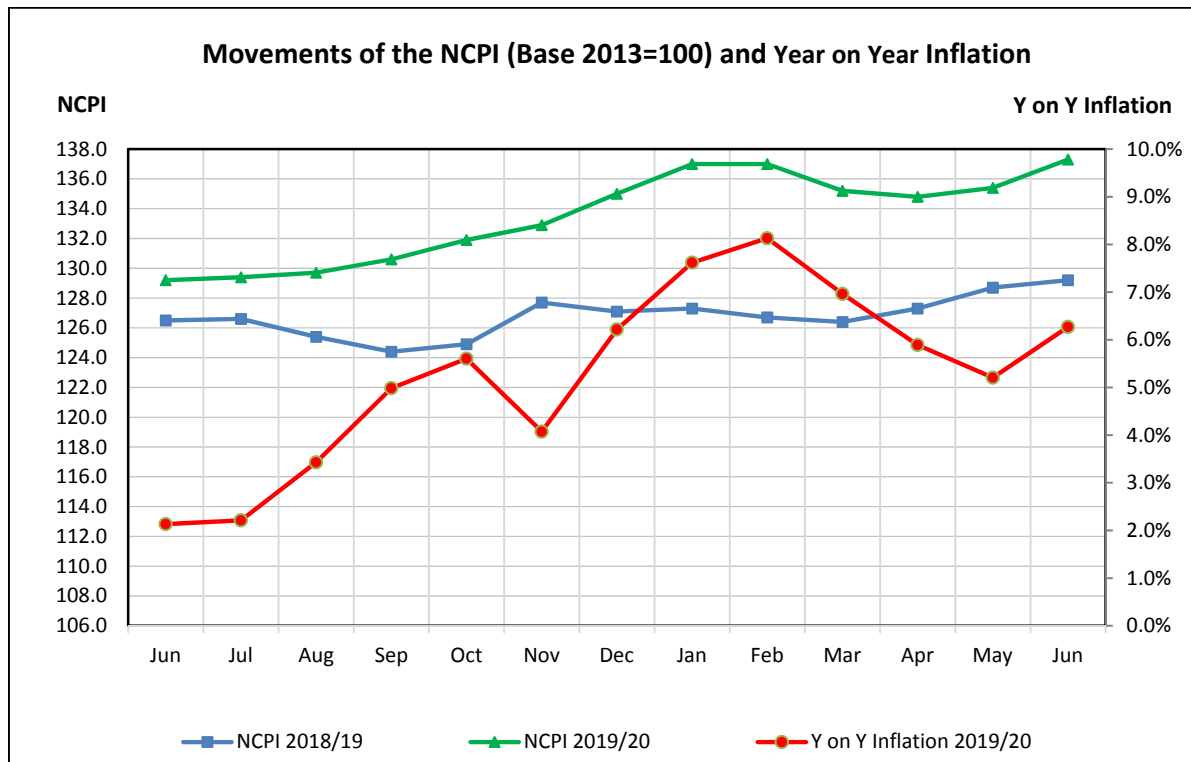
Contribution of non-food items was 0.45 percent. This was mainly due to price increases in groups of 'Education' (0.15%), 'Housing, Water, Electricity, Gas and Other fuels' (0.13%), 'Clothing and Footwear' (0.09%), 'Miscellaneous Goods and Services' (0.08%), 'Transport' (0.08%), 'Alcoholic beverages, Tobacco and Narcotics' (0.04%), 'Restaurant and Hotels' (0.03%), 'Furnishing, Household equipment and Routine household maintenance' (0.03%), 'Health' (0.03%) and 'Recreation and Culture' (0.02%). However, decreases in prices were reported for groups of 'Communication' (0.22%).

**Table 04: Contribution to the increase in NCPI (Base 2013=100) on Year-on-Year basis
(June 2020 as compared to June 2019)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase %	Decrease %	Net effect %
Food	2416.18			5.82
<i>Coconut (Nuts)</i>	518.08	1.25		
<i>Rice</i>	500.23	1.20		
<i>Coconut oil</i>	241.73	0.58		
<i>Fresh fish</i>	174.10	0.42		
<i>Sugar</i>	144.03	0.35		
<i>Turmeric powder</i>	121.69	0.29		
Non Food	188.74	0.68	0.22	0.45
Alcoholic beverages, Tobacco and Narcotics	17.15	0.04		
<i>Betel leaves</i>	-11.76		0.03	
<i>Arecanuts</i>	10.75	0.03		
<i>Bulathwita</i>	8.04	0.02		
Clothing and Footwear	37.22	0.09		
<i>Clothing</i>	37.22	0.09		
Housing, Water, Electricity, Gas and Other fuels	54.48	0.13		
<i>Housing Rent</i>	79.51	0.19		
<i>Material for the maintenance</i>	8.09	0.02		
<i>Water Bill</i>	-6.75		0.02	
<i>LP Gas</i>	-27.15		0.07	
Furnishings, Household equipment and Routing household maintenance	13.01	0.03		
Health	11.92	0.03		
<i>Purchase of medical/pharmacy products</i>	6.97	0.02		
<i>Fees to private medical practices</i>	16.91	0.04		
<i>Payments to medical laboratories</i>	17.18	0.04		
<i>Payments to private hospitals room charges</i>	-32.89		0.08	
Transport	31.67	0.08		
<i>Purchase of vehicles</i>	28.22	0.07		
<i>Petrol</i>	-8.75		0.02	
<i>Airline fare</i>	12.19	0.03		
Communication	-92.97		0.22	
<i>Telephone charges - Home fixed phone</i>	-31.73		0.08	
<i>Telephone charges - mobile</i>	-58.64		0.14	
<i>Email/internet charges</i>	-2.61		0.01	
Recreation and Culture	7.43	0.02		
Education	60.99	0.15		
<i>Tuition fees</i>	39.38	0.09		
<i>International School fees</i>	21.09	0.05		
Restaurant and Hotels	14.06	0.03		
Miscellaneous Goods and Services	33.80	0.08		
All Items	2604.92			6.27

3.2. Moving Average Inflation

The moving average inflation for the month of June 2020 is 5.6%. The corresponding rate for the month of May 2020 was 5.2%.



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