



## WEB 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](mailto:prices@statistics.gov.lk)

### 1. Introduction

The Department of Census and Statistics (DCS) has released the National Consumer Price Index (NCPI) and Inflation rate for the month of December 2019.

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 December 2019 was 135.0. An increase of 2.1 index points or 1.6 percentage compared to November 2019 for which the index was 132.9. This increase represents increase in expenditure value of Rs. 666.93 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 (%)		
	Dec 2018	Nov 2019	Dec 2019	Dec 2018	Nov 2019	Dec 2019	Dec 2018	Nov 2019	Dec 2019
<b>All Items</b>	127.1	132.9	135.0	-182.44	329.06	666.93	-0.44	0.78	1.56
<b>Food and Non-Alcoholic Beverages</b>	128.4	134.1	139.5	-71.79	329.66	775.69	-0.17	0.78	1.82
<b>Non-Food</b>	126.1	132.0	131.4	-110.65	-0.61	-108.76	-0.27	0.00	-0.25
Alcoholic Beverages, Tobacco and Narcotics	187.0	201.5	204.4	-20.69	-10.27	21.36	-0.05	-0.02	0.05
Clothing and Footwear	124.9	130.4	130.7	3.01	2.62	3.57	0.01	0.01	0.01
Housing, Water, Electricity, Gas and Other Fuels	118.1	126.7	126.5	0.00	-3.50	-12.95	0.00	-0.01	-0.03
Furnishing, Household Equipment and Routine Household Maintenance	126.4	130.6	130.1	0.00	3.58	-4.64	0.00	0.01	-0.01
Health	158.9	162.8	162.3	0.00	0.00	-6.58	0.00	0.00	-0.02
Transport	115.3	117.6	117.7	-70.76	4.16	4.41	-0.17	0.01	0.01
Communication	111.3	111.3	98.9	-22.01	0.00	-92.97	-0.05	0.00	-0.22
Recreation and Culture	119.3	125.4	124.5	-0.61	0.00	-4.84	0.00	0.00	-0.01
Miscellaneous Goods and Services	137.5	143.3	142.2	0.41	2.81	-16.14	0.00	0.01	-0.04
Other	122.3	127.9	127.9	0.00	0.00	0.00	0.00	0.00	0.00

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

Note 2: For the December 2019, unchanged groups 'Education' & 'Restaurants and Hotels' are considered as the 'Other Groups'.

### Contribution to Month-on-Month Changes:

Contributions to the increase in NCPI on Month-on-Month basis (December 2019 as compared to November 2019) are given in Table 02. The increase in the index point by 1.56% was due to the increase of index values of food items by 1.82% and decrease of index values of non-food items by 0.25%.

#### 2.1.1. Contribution of Food items: 1.82%

As shown in Table 02, the increases in index values were reported for Vegetables (0.74%), Rice (0.53%), Red onions (0.24%), Coconuts (0.14%), Fresh fish (0.14%), Potatoes (0.10%), Coconut oil (0.04%), Chili Powder (0.03%) and Papaw (0.02%). However, decreases in index values were reported for Big onions (0.08%), Limes (0.05%), Banana (0.03%) and Green chilies (0.01%).

#### 2.1.2. Contribution of Non-food items: -0.25%

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*) (0.22%), 'Miscellaneous Goods and Services' (*Car Insurance*) (0.04%), 'Housing, Water, Electricity, Gas and Other fuels' (*Water bills and Maintenance/Reconstruction*) (0.03%), 'Health' (*Payments to private hospitals room charges*) (0.02%), 'Recreation and Culture' (*Cable/Satellite TV charges*) (0.01%) and 'Furnishings, Household equipment and Routing household maintenance' (0.01%). However, increases in prices were reported in groups of 'Alcoholic Beverages, Tobacco & Narcotics' (*Beer and Betel leaves*) (0.05%), 'Transport' (*Airline fare*) (0.01%) and 'Clothing and Footwear' (0.01%) 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.

**Table 02: Contribution to the increase in NCPI (Base 2013=100) on Month-on-Month basis  
(December 2019 as compared to November 2019)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase	Decrease	Net effect
<b>Food</b>	<b>775.69</b>	<b>1.99</b>	<b>0.18</b>	<b>1.82</b>
Vegetables	314.48	0.74		
Rice	225.49	0.53		
Red onions	104.30	0.24		
Coconuts	61.11	0.14		
Fresh fish	60.53	0.14		
Potatoes	41.45	0.10		
Coconut oil	15.02	0.04		
Chili Powder	12.13	0.03		
Papaw	7.40	0.02		
Big onions	-33.97		0.08	
Limes	-22.30		0.05	
Banana	-14.11		0.03	
Green chilies	-5.81		0.01	
Other food items	9.98	0.02		
<b>Non Food</b>	<b>-108.76</b>	<b>0.07</b>	<b>0.32</b>	<b>-0.25</b>
<b>Alcoholic Beverages, Tobacco &amp; Narcotics</b>	<b>21.36</b>	<b>0.05</b>		
<i>Beer</i>	2.25	0.01		
<i>Betel leaves</i>	15.61	0.04		
<b>Clothing &amp; Footwear</b>	<b>3.57</b>	<b>0.01</b>		
<i>Clothing</i>	3.57	0.01		
<b>Housing, Water, Electricity, Gas and Other fuels</b>	<b>-12.95</b>		<b>0.03</b>	
<i>Maintenance/Reconstruction</i>	-6.19		0.01	
<i>Water bills</i>	-6.75		0.02	
<b>Furnishings, Household Equipment and Routing Household Maintenance</b>	<b>-4.64</b>		<b>0.01</b>	
<i>Furniture and Furnishing</i>	-7.67		0.02	
<b>Health</b>	<b>-6.58</b>		<b>0.02</b>	
<i>Payments to medical laboratory tests</i>	24.91	0.06		
<i>Payments to private hospitals room charges</i>	-31.49		0.07	
<b>Transport</b>	<b>4.41</b>	<b>0.01</b>		
<i>Airline fare</i>	4.41	0.01		
<b>Communication</b>	<b>-92.97</b>		<b>0.22</b>	
<i>Telephone charges - Home fixed phone</i>	-31.73		0.07	
<i>Telephone charges - mobile</i>	-58.64		0.14	
<i>Email/internet charges</i>	-2.61		0.01	
<b>Recreation and Culture</b>	<b>-4.84</b>		<b>0.01</b>	
<i>Cable/Satellite TV charges</i>	-2.75		0.01	
<b>Miscellaneous Goods and Services</b>	<b>-16.14</b>		<b>0.04</b>	
<i>Car Insurance</i>	-18.31		0.04	
<b>Other Groups</b>	<b>0.00</b>	<b>0.00</b>		
<b>All Items</b>	<b>666.93</b>			<b>1.56</b>

\*Note: Sum of percentages of items may not tally with overall percentage due to rounding off

### 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).

**Table 03: Movements of the NCPI (Base: 2013=100)**

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.
<b>2018</b>	December	<b>127.1</b>	-0.5	0.4	2.1	<b>128.4</b>	-0.4	-4.5	-0.2	<b>126.1</b>	-0.5	4.7	4.1
<b>2019</b>	January	<b>127.3</b>	0.2	1.2	1.8	<b>125.8</b>	-2.0	-4.8	-1.3	<b>128.5</b>	1.9	6.5	4.4
	February	<b>126.7</b>	-0.5	2.4	1.7	<b>122.9</b>	-2.3	-2.9	-1.9	<b>129.7</b>	0.9	6.7	4.8
	March	<b>126.4</b>	-0.2	2.9	1.7	<b>121.4</b>	-1.2	-2.3	-2.3	<b>130.3</b>	0.5	7.1	5.1
	April	<b>127.3</b>	0.7	3.6	1.9	<b>122.5</b>	0.9	-1.2	-2.3	<b>131.1</b>	0.6	7.5	5.5
	May	<b>128.7</b>	1.1	3.5	2.0	<b>125.1</b>	2.1	-0.4	-2.4	<b>131.5</b>	0.3	6.7	5.7
	June	<b>129.2</b>	0.4	2.1	2.0	<b>126.1</b>	0.8	-2.9	-2.7	<b>131.6</b>	0.1	6.2	5.9
	July	<b>129.4</b>	0.2	2.2	1.9	<b>126.5</b>	0.3	-2.5	-3.1	<b>131.7</b>	0.1	6.1	6.0
	August	<b>129.7</b>	0.2	3.4	2.0	<b>126.8</b>	0.2	0.6	-3.0	<b>132.0</b>	0.2	5.6	6.1
	September	<b>130.6</b>	0.7	5.0	2.3	<b>128.8</b>	1.6	4.9	-2.3	<b>132.1</b>	0.1	5.1	6.1
	October	<b>131.9</b>	1.0	5.6	2.8	<b>131.7</b>	2.3	7.3	-1.1	<b>132.0</b>	-0.1	4.3	6.0
	November	<b>132.9</b>	0.8	4.1	3.0	<b>134.1</b>	1.8	4.0	-0.5	<b>132.0</b>	0.0	4.2	5.9
	December	<b>135.0</b>	1.6	6.2	3.5	<b>139.5</b>	4.0	8.6	0.7	<b>131.4</b>	-0.5	4.2	5.8

#### 3.1. Year-on-Year Inflation

The overall rate of inflation as measured by NCPI on Year-on-Year basis is 6.2% in December 2019 and inflation calculated for November 2019 was 4.1% (Table 03). Year-on-Year inflation of food group has increased from 4.0% in November 2019 to 8.6% in December 2019 and that of non-food group remained unchanged during this month.

#### Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was 3.85. percent in December 2019 compared to that of December 2018 (Table 04).

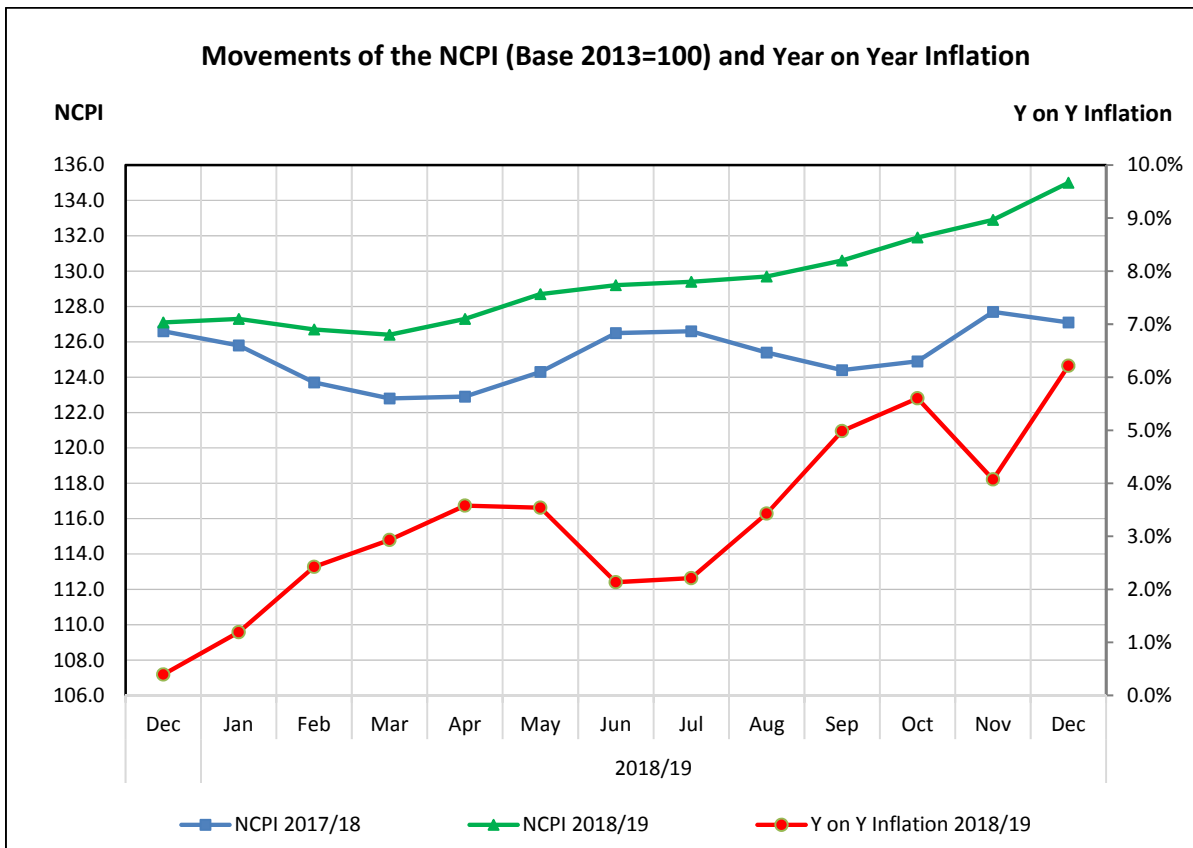
Contribution of non-food items was 2.35 percent. This was mainly due to price increases in groups of 'Housing, Water, Electricity, Gas and Other fuels' (1.19%), 'Alcoholic beverages, Tobacco and Narcotics' (0.31%), 'Education' (0.24%), 'Transport' (0.19%), 'Miscellaneous Goods and Services' (0.17%), 'Clothing and Footwear' (0.16%), 'Health' (0.11%), 'Furnishing, Household equipment and Routine household maintenance' (0.10%), 'Recreation and Culture' (0.06%) and 'Restaurant and Hotels' (0.06%). However, decrease in prices were reported for group of 'Communication' (0.23%).

**Table 04: Contribution to the increase in NCPI (Base 2013=100) on Year-on-Year basis  
(December 2019 as compared to December 2018)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase %	Decrease %	Net effect %
<b>Food</b>	<b>1571.83</b>			<b>3.85</b>
<i>Rice</i>	437.30	1.07		
<i>Vegetables</i>	220.80	0.54		
<i>Fresh fish</i>	217.07	0.53		
<i>Red onions</i>	198.00	0.48		
<i>Big onions</i>	144.03	0.35		
<b>Non Food</b>	<b>961.32</b>	<b>2.58</b>	<b>0.23</b>	<b>2.35</b>
<b>Alcoholic beverages, Tobacco and Narcotics</b>	126.68	0.31		
<i>Arrack</i>	23.40	0.06		
<i>Cigarettes</i>	41.58	0.10		
<i>Betel leaves</i>	28.61	0.07		
<i>Arecanuts</i>	8.76	0.02		
<b>Clothing and Footwear</b>	63.79	0.16		
<i>Clothing</i>	60.74	0.15		
<i>Footwear</i>	3.06	0.01		
<b>Housing, Water, Electricity, Gas and Other fuels</b>	485.11	1.19		
<i>Housing Rent</i>	474.88	1.16		
<i>Material for the maintenance</i>	36.44	0.09		
<i>Water Bill</i>	-6.75		0.02	
<i>LP Gas</i>	-27.15		0.07	
<b>Furnishings, Household Equipment and Routing Household Maintenance</b>	39.94	0.10		
<b>Health</b>	44.20	0.11		
<i>Purchase of medical/pharmacy products</i>	22.68	0.06		
<i>Fees to private medical practices</i>	26.99	0.07		
<i>Payments to medical laboratories</i>	11.63	0.03		
<i>Payments to private hospitals room charges</i>	-31.49		0.08	
<b>Transport</b>	77.69	0.19		
<i>Purchase of vehicles</i>	43.34	0.11		
<i>Petrol</i>	18.85	0.05		
<i>bus fare</i>	-25.38		0.06	
<i>Van fare(other than schooling)</i>	11.11	0.03		
<i>Airline fare</i>	24.39	0.06		
<b>Communication</b>	-92.69		0.23	
<i>Telephone charges - Home fixed phone</i>	-31.73		0.08	
<i>Telephone charges - mobile</i>	-58.64		0.14	
<b>Recreation and Culture</b>	26.54	0.06		
<b>Education</b>	99.29	0.24		
<i>Tuition fees</i>	73.15	0.18		
<i>International School fees</i>	21.09	0.05		
<b>Restaurant and Hotels</b>	22.69	0.06		
<b>Miscellaneous Goods and Services</b>	68.06	0.17		
<b>All Items</b>	<b>2533.15</b>			<b>6.20</b>

### 3.2. Moving Average Inflation

The moving average inflation for the month of December 2019 is 3.5%. The corresponding rate for the month of November 2019 was 3.0%.



Director General,  
Department of Census and Statistics.