



## WEB RELEASE

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

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 May 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 May 2020 was 135.4. An increase of 0.6 index points or 0.4 percentage compared to April 2020 for which the index was 134.8 This increase represents increase in expenditure value of Rs. 200.01 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 (%) |          |          |
|--|--------------|----------|----------|--|----------|----------|----------------------------------|----------|----------|
|  | May 2019     | Apr 2020 | May 2020 | May 2019                                       | Apr 2019 | May 2020 | May 2019                         | Apr 2019 | May 2020 |
| <b>All Items</b>                           | 128.7        | 134.8    | 135.4    | 435.91   | -142.73  | 200.01   | 1.07                             | -0.33    | 0.46     |
| <b>Food and Non Alcoholic Beverages</b>    | 125.1        | 137.5    | 139.0    | 364.34   | -142.73  | 210.57   | 0.89                             | -0.33    | 0.49     |
| <b>Non Food</b>                            | 131.5        | 132.6    | 132.6    | 71.57  | 0.00     | -10.56   | 0.17                             | 0.00     | -0.02    |
| Alcoholic Beverages, Tobacco and Narcotics | 205.5        | 211.1    | 204.9    | 3.84   | 0.00     | -45.58   | 0.01                             | 0.00     | -0.11    |
| Transport                                  | 116.7        | 117.9    | 118.3    | 28.70  | 0.00     | 13.36    | 0.07                             | 0.00     | 0.03     |
| Recreation and Culture                     | 122.9        | 125.1    | 124.6    | 6.89   | 0.00     | -2.39    | 0.02                             | 0.00     | -0.01    |
| Miscellaneous Goods and Services           | 142.1        | 142.9    | 144.5    | 4.34   | 0.00     | 22.57    | 0.01                             | 0.00     | 0.05     |
| Other                                      | 129.9        | 130.8    | 130.8    | 27.80  | 0.00     | 1.47     | 0.07                             | 0.00     | 0.00     |

\*Note 1: There are 12 main groups of the market basket. Monthly significant changes were noted in five main groups in May 2020, details on which are given in Table 02. Sum of Percentages of items may not tally with overall percentage due to rounding off

Note 2: For the May 2020, insignificant groups 'Clothing and Footwear', 'Furnishing, Household Equipment and Routine Household Maintenance' and unchanged groups 'Housing, Water, Electricity, Gas and Other fuels', 'Health', 'Communication', 'Education' and 'Restaurants and Hotels' are considered as the 'Other Groups'.

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

Contributions to the NCPI on Month-on-Month basis (May 2020 as compared to April 2020) are given in Table 02. The month-on-month change was contributed by increase of index value of food items by 0.49% and decrease of index value of non-food items by 0.02%.

#### 2.1.1. Contribution of Food items: 0.49%

As shown in Table 02, the increases in index values were reported for Vegetables (0.20%), Fresh fish (0.16%), Mysore dhal (0.13%), Coconut oil (0.12%), Turmeric powder (0.11%), Limes (0.07%), Sugar (0.04%), Milk powder (0.04%), Dried fish (0.04%), Green chilies (0.03%), Chicken (0.03%), Red onions (0.03%), Canned fish (0.02%), Rice (0.02%), Curry powder (0.02%) and Eggs (0.01%). However, decreases in index values were reported for Big onions (0.28%), Coconuts (0.17%), Fresh fruits (0.05%), Potatoes (0.03%), Garlic (0.03%), Dried chilies (0.01%), Pepper (0.01%) and Gram (0.01%).

#### 2.1.2. Contribution of Non-food items: -0.02%

The decreases in index values of non-food groups in May 2020 compared to the previous month was due to the price decreases in groups of items 'Alcoholic Beverages, Tobacco & Narcotics' (*Betel leaves*) (0.11%) and 'Recreation and Culture' (*News papers*) (0.01%). However, price increases in groups of items were reported for 'Miscellaneous Goods and Services' (*Car Insurance*) (0.05%) and 'Transport' (*Purchase of vehicles*) (0.03%). Further, very slight price increases were reported in groups of 'Furnishing, Household equipment Routine household maintenance' and 'Clothing and Footwear' compared to the preceding month. Meanwhile, the price indices of 'Housing, Water, Electricity, Gas and Other fuels', 'Health', 'Communication', 'Education' and 'Restaurants and Hotels' groups remained unchanged during the month.

**Table 02: Contribution to the increase in NCPI (Base 2013=100) on Month-on-Month basis  
(May 2020 as compared to April 2020)**

| Sub Group/Commodity                                 | Value change  |             |             |              |
|---|---------------|-------------|-------------|--------------|
|   | Rs. cts       | % Change    |             |              |
|   |               | Increase    | Decrease    | Net effect   |
| <b>Food</b>   | <b>210.57</b> | <b>1.07</b> | <b>0.58</b> | <b>0.49</b>  |
| Vegetables  | 85.52         | 0.20        |             |              |
| Fresh fish  | 68.98         | 0.16        |             |              |
| Mysour Dhal   | 57.53         | 0.13        |             |              |
| Coconut oil   | 50.66         | 0.12        |             |              |
| Turmeric powder                                     | 49.72         | 0.11        |             |              |
| Limes   | 29.59         | 0.07        |             |              |
| Sugar   | 18.99         | 0.04        |             |              |
| Milk Powder   | 17.26         | 0.04        |             |              |
| Dried fish  | 15.27         | 0.04        |             |              |
| <i>Sprats(dry)</i>                                  | 10.98         | 0.03        |             |              |
| Green chilies                                       | 12.51         | 0.03        |             |              |
| Chicken   | 12.47         | 0.03        |             |              |
| Red onions  | 11.74         | 0.03        |             |              |
| Canned fish   | 9.86          | 0.02        |             |              |
| Rice  | 8.19          | 0.02        |             |              |
| Curry powder  | 7.14          | 0.02        |             |              |
| Eggs  | 4.41          | 0.01        |             |              |
| Big onions  | -120.91       |             | 0.28        |              |
| Coconuts  | -74.03        |             | 0.17        |              |
| Fresh fruits  | -22.12        |             | 0.05        |              |
| <i>Mangoes</i>                                      | -22.15        |             | 0.05        |              |
| <i>Papaw</i>  | -13.66        |             | 0.03        |              |
| <i>Banana</i>                                       | 13.47         | 0.03        |             |              |
| Potatoes  | -12.71        |             | 0.03        |              |
| Garlic  | -11.23        |             | 0.03        |              |
| Dried chilies                                       | -5.47         |             | 0.01        |              |
| Pepper  | -2.81         |             | 0.01        |              |
| Gram  | -2.54         |             | 0.01        |              |
| Other food items                                    | 2.59          | 0.01        |             |              |
| <b>Non Food</b>                                     | <b>-10.56</b> | <b>0.09</b> | <b>0.11</b> | <b>-0.02</b> |
| <b>Alcoholic Beverages, Tobacco &amp; Narcotics</b> | <b>-45.58</b> |             | 0.11        |              |
| <i>Betel leaves</i>                                 | -43.38        |             | 0.10        |              |
| <b>Transport</b>                                    | 13.36         | 0.03        |             |              |
| <i>Purchase of vehicles</i>                         | 12.96         | 0.03        |             |              |
| <b>Recreation and Culture</b>                       | -2.39         |             | 0.01        |              |
| <i>News Papers</i>                                  | -3.24         |             | 0.01        |              |
| <b>Miscellaneous Goods and Services</b>             | 22.57         | 0.05        |             |              |
| <i>Car Insurance</i>                                | 22.43         | 0.05        |             |              |
| <b>Other Groups</b>                                 | 1.47          | 0.00        |             |              |
|   |               |             |             |              |
| <b>All Items</b>                                    | <b>200.01</b> |             |             | <b>0.46</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. |
| 2019 | May       | 128.7        | 1.1                     | 3.5         | 2.0                  | 125.1        | 2.1                     | -0.4        | -2.4                 | 131.5        | 0.3                     | 6.7         | 5.7                  |
|      | 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                  |

The Month-on-Month change reported for May 2020 in Table 03 does not tally with the Month-on-Month change reported in Table 01 and Table 02 due to rounding off.

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

The overall rate of inflation as measured by NCPI on Year-on-Year basis is 5.2% in May 2020 and inflation calculated for April 2020 was 5.9% (Table 03). Year-on-Year inflation of food group has decreased from 12.2% in April 2020 to 11.1% in May 2020 and that of non-food group has also decreased from 1.1% to 0.8% during this month.

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

On Year-on-Year basis, contribution of food commodities to inflation was 4.76 percent in May 2020 compared to that of May 2019 (Table 04).

Contribution of non-food items was 0.48 percent. This was mainly due to price increases in groups of 'Housing, Water, Electricity, Gas and Other fuels' (0.16%), 'Education' (0.15%), 'Transport' (0.12%), 'Miscellaneous Goods and Services' (0.08%), 'Clothing and Footwear' (0.08%), 'Restaurant and Hotels' (0.04%), 'Furnishing, Household equipment and Routine household maintenance' (0.03%), 'Recreation and Culture' (0.03%) and 'Health' (0.02%). However, decreases in prices were reported for groups of 'Communication' (0.22%) and 'Alcoholic beverages, Tobacco and Narcotics' (0.01%).

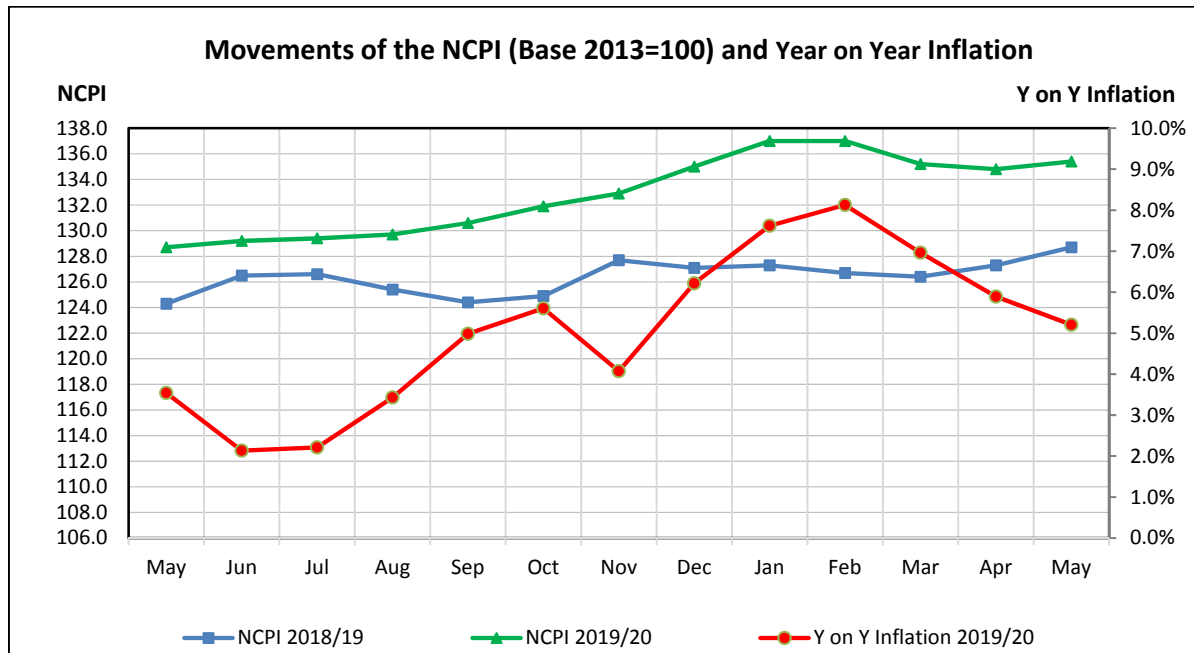
**Table 04: Contribution to the increase in NCPI (Base 2013=100) on Year-on-Year basis  
(May 2020 as compared to May 2019)**

| Sub Group/Commodity   | Value change   |             |             |              |
|---|----------------|-------------|-------------|--------------|
|   | Rs. cts        | % Change    |             |              |
|   |                | Increase %  | Decrease %  | Net effect % |
| <b>Food</b>   | <b>1967.45</b> |             |             | <b>4.76</b>  |
| <i>Coconuts</i>   | 496.49         | 1.20        |             |              |
| <i>Rice</i>   | 466.78         | 1.13        |             |              |
| <i>Coconut oil</i>  | 201.28         | 0.49        |             |              |
| <i>Fresh fish</i>   | 147.28         | 0.36        |             |              |
| <i>Chilly Powder</i>  | 126.93         | 0.31        |             |              |
| <i>Red onions</i>   | 126.90         | 0.31        |             |              |
|   |                |             |             |              |
| <b>Non Food</b>   | <b>197.16</b>  | <b>0.71</b> | <b>0.24</b> | <b>0.48</b>  |
|   |                |             |             |              |
| <b>Alcoholic beverages, Tobacco and Narcotics</b>                         | -4.80          |             | 0.01        |              |
| <i>Betel leaves</i>   | -29.98         |             | 0.07        |              |
| <i>Arecanuts</i>  | 6.47           | 0.02        |             |              |
| <i>Bulathwita</i>   | 8.04           | 0.02        |             |              |
| <b>Clothing and Footwear</b>  | 33.80          | 0.08        |             |              |
| <i>Clothing</i>   | 33.80          | 0.08        |             |              |
| <b>Housing, Water, Electricity, Gas and Other fuels</b>                   | 66.08          | 0.16        |             |              |
| <i>Housing Rent</i>   | 79.51          | 0.19        |             |              |
| <i>Material for the maintenance</i>                                       | 19.69          | 0.05        |             |              |
| <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> | 13.35          | 0.03        |             |              |
| <b>Health</b>   | 7.39           | 0.02        |             |              |
| <i>Purchase of medical/pharmacy products</i>                              | 4.19           | 0.01        |             |              |
| <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>                         | -31.49         |             | 0.08        |              |
| <b>Transport</b>  | 50.81          | 0.12        |             |              |
| <i>Purchase of vehicles</i>   | 15.69          | 0.04        |             |              |
| <i>Petrol</i>   | 20.25          | 0.05        |             |              |
| <i>Diesel</i>   | -3.66          |             | 0.01        |              |
| <i>Airline fare</i>   | 18.52          | 0.04        |             |              |
| <b>Communication</b>  | -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        |              |
| <b>Recreation and Culture</b>   | 9.04           | 0.02        |             |              |
| <b>Education</b>  | 60.99          | 0.15        |             |              |
| <i>Tuition fees</i>   | 39.38          | 0.10        |             |              |
| <i>International School fees</i>  | 21.09          | 0.05        |             |              |
| <b>Restaurant and Hotels</b>  | 18.41          | 0.04        |             |              |
| <b>Miscellaneous Goods and Services</b>                                   | 35.06          | 0.08        |             |              |
|   |                |             |             |              |
| <b>All Items</b>  | <b>2164.61</b> |             |             | <b>5.23</b>  |

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

### 3.2. Moving Average Inflation

The moving average inflation for the month of May 2020 is 5.2%. The corresponding rate for the month of April 2020 was 5.1%.



#### Information Note for the National Consumer Price Index (NCPI), May 2020

To keep the higher accuracy of the Consumer Price Index, the majority of price data are collected by personal visits by the DCS price collecting officers. This personal visit type of data collection has suspended first two weeks of May, 2020 due to Covid-19 pandemic situation of the country.

In particular, the collection of prices has become increasingly difficult. Issues and challenges include increased numbers of missing items in sampled outlets, the temporary closure of retail outlets and restrictions on movement.

When facing numbers of missing prices, it is important to mentioned that all temporarily missing prices were imputed using the methods described in Consumer Price Index Manual.

The food price imputations for the first two weeks of May 2020 were based on the prices of the essential food items in the market basket obtained from the district retail price collecting officers in their districts during the period and considered other available food price data sources for the first two weeks of May 2020.

For all districts, from third week of May 2020 onwards, the regular district price collection was started again by the DCS price collecting officers according to the district price collection time schedule.

Director General,  
Department of Census and Statistics.