

## News

# June inflation at 2.1%

■ Declines from 3.5% posted in May on lower food prices but core inflation at 6.1%

INFLATION in June rose to 2.1% year-on-year but declined from 3.5% posted in May, mainly on lower food prices, the Census and Statistics Department said yesterday.

Issuing National Consumer Price Index (NCPI), for the month of June, Director General 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 NCPI has been compiled as 2.1%.

The headline inflation reported for the month of May was 3.5%. Contributions to the inflation in June from food group and non-food group are -1.3% and 3.4% respectively.

With respect to June 2018, the reported decrease in percentage of food group was mainly due to lower price levels prevailed in this month of June, particularly prices of coconuts, vegetables and rice. Whilst contributions of food and non-food groups to the inflation in June 2018 were 0.3% and 2.3% respectively, resulting headline inflation of 2.5%.

When compared to month on month changes, NCPI in June has increased to 129.2 from 128.7 reported in May. This shows an increase of 0.5 index points that is percentage of 0.4 was reported in June as compared to May. This month on month change was contributed by increases of expenditure value of food items by 0.37% and non-food items by 0.05% respectively.

The increases in expenditure value of food items were reported for Fresh Fish, Big Onions, Green Chillies, Red Onions, Rice, Potatoes, Limes, Dried Fish, Milk Powder and Banana. However, decreases in expenditure value of food items were reported for Vegetables, Coconuts, Chicken and Eggs.

The increases in expenditure value of non-food

groups in June compared to the previous month was due to the expenditure value increases in groups of items 'Transport' (Fuel prices and Airline fare), 'Restaurants and Hotels', 'Furnishing and Household equipment and Routine household maintenance' and 'Clothing and Footwear'. However, decrease in expenditure value was reported in group of 'Alcoholic beverages, Tobacco and Narcotics' (Betel leaves) compared to the preceding month.

Further, very slight decrease in expenditure value was reported in group

of 'Miscellaneous Goods and Services'. Meanwhile, the expenditure value of 'Housing, Water, Electricity, Gas and Other Fuels', 'Health', 'Communication', 'Recreation and Culture' and 'Education' groups remained unchanged during the month.

The 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 June has declined to 6.1% from 6.3% in May.