

# National inflation decelerates to 2.1% in June

Sri Lanka's countrywide headline inflation, measured by the National Consumer Price Index (NCPI), decelerated to 2.1 percent in June on a year-on-year basis, from 3.5 percent in May 2019, the Census and Statistics Department said.

The core inflation, which reflects the underlying inflation by excluding the volatile items of food, energy and transport groups in the economy, also fell to 6.1 percent, from 6.3 percent in May 2019.

The contributions to inflation in June from the food and non-food groups were 1.3 percent and 3.4 percent, respectively.

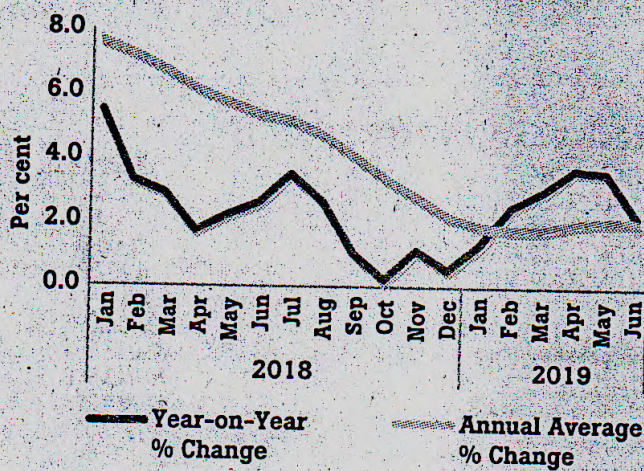
The reported decrease in the percentage of the food group was mainly due to the lower price levels prevailed in June, particularly the prices of coconuts, vegetables and rice.

The contributions

of the food and non-food groups to inflation in June 2018 were 0.3 percent and 2.3 percent, respectively, resulting in a headline inflation of 2.5 percent.

The NCPI in June increased to 129.2, from 128.7 reported a month ago, recording an increase of 0.5 index points or a 0.4 percent increase, as a result of the increases of the expenditure value of the food items by 0.37 percent and the non-food items by 0.05 percent, respectively.

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## National inflation...

The increases in the 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. The decreases in the expenditure value of food items were reported for vegetables, coconuts, chicken and eggs.

The increases in the expenditure value of non-food groups in June 2019, compared to the previous month, were due to the expenditure value increases in groups of items transport, restaurants and hotels, furnishing, household equipment and clothing and footwear.

A decrease in the expenditure value was reported in alcoholic beverages, tobacco and narcotics, compared to the preceding month.

Meanwhile, the expenditure value of housing, water, electricity, gas and other fuels, health, communication, recreation and culture and education remained unchanged during the month.