

P. Anura


Inflation sees decline in July

Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI) (2006/07=100), which is compiled by the Department of Census and Statistics, declined to -0.2 per cent, on year-on-year basis in July 2015, from 0.1 per cent recorded in June 2015.

Annual average inflation declined from 1.7 per cent in June 2015 to 1.3 per cent in July 2015. CCPI increased by 0.7 per cent from June to July 2015.

The decline recorded on year-on year basis was mainly due to high base that prevailed in July 2014, prior to significant downward revisions of energy prices observed on several occasions since September 2014.

The monthly increase in CCPI was caused by the increases in prices of items in both Food and Non-food categories. Prices of some varieties of vegetables, fresh fish, meat, fruits, potatoes, green chilies and red onions increased during July 2015.

However, prices of coconuts, big onions and lime decreased during the month. Within the Non-food category, prices in Clothing and Footwear; Furnishing, Household Equipment and Routine Household Maintenance; Transport; and Recreation and Culture sub categories increased. Due to the partial effect of the downward revision of LP Gas prices with effect from 14.07.2015, the Housing, Water, Electricity, Gas and other Fuels sub category recorded a decline. All other sub categories, namely, Health; Communication; Education; and Miscellaneous Goods and Services remained unchanged during the month.

Core inflation, which reflects the underlying inflation in the economy, increased to 3.5 per cent in July 2015, from 2.8 per cent in June 2015 on an year-on-year basis. Annual average core inflation remained unchanged at 2.8 per cent, as recorded in the previous month.

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Colombo Consumers' Price Index (CCPI)

2013, 2014 and 2015

(2006/07=100)

Month	Index			Monthly Change %			Year-on-Year Change %			Annual Average Change %		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
January	170.0	177.5	183.2	0.8	0.6	1.7	9.8	4.4	3.2	8.1	6.5	3.2
February	170.7	177.8	178.9	0.4	0.2	-2.3	9.8	4.2	0.6	8.6	6.0	2.9
March	170.8	177.9	178.1	0.1	0.1	-0.4	7.5	4.2	0.1	8.8	5.7	2.5
April	170.0	178.4	178.5	-0.5	0.3	0.2	6.4	4.9	0.1	8.8	5.6	2.1
May	173.9	179.5	179.8	2.3	0.6	0.7	7.3	3.2	0.2	8.8	5.3	1.9
June	176.5	181.4	181.6	1.5	1.1	1.0	6.8	2.8	0.1	8.6	4.9	1.7
July	176.8	183.2	182.8	0.2	1.0	0.7	6.1	3.6	-0.2	8.3	4.7	1.3
August	176.2	182.3		-0.3	-0.5		6.3	3.5		8.0	4.5	
September	175.8	181.9		-0.2	-0.2		6.2	3.5		7.8	4.2	
October	176.1	179.0		0.2	-1.6		6.7	1.6		7.6	3.8	
November	176.5	179.2		0.2	0.1		5.6	1.5		7.3	3.5	
December	176.5	180.2		0.0	0.6		4.7	2.1		6.9	3.3	

Source: Department of Census and Statistics