

✓ HEADLINE inflation as measured by the year-on-year (YoY) change in the National Consumer Price Index increased to 6.2% in December 2019 from 4.1% in November 2019. This was driven by monthly increase of prices of items in the Food category along with the statistical effect of

the low base prevailed in December 2018. Food inflation (YoY) increased substantially to 8.6% in December 2019 from 4.0% in November 2019, while Non-food inflation (YoY) remained unchanged at 4.2%. The change in the NCPI measured on an annual average basis increased to 3.5% in

December 2019 from 3.0% in November 2019. Monthly change of NCPI recorded at 1.6% in December 2019 and it was solely due to the price increases observed in the items of the Food category caused by adverse weath-

er conditions prevailed during December 2019. Within the Food category, prices of vegetables, rice, red onions, coconuts and fish recorded increases in December 2019. Meanwhile, prices of items in the Non-

Food category recorded a decrease during the month owing to price decreases of the items in Communication; Housing, Water, Electricity, Gas and other fuels; Health; and Miscellaneous Goods and Services sub-categories due to downward tax revisions introduced by the government with effect

from 01st December 2019. The core inflation, which reflects the underlying inflation in the economy, decreased to 5.2% in December 2019 from 5.5% in November 2019 on year-on-year basis. However, annual average core inflation increased to 5.7% in December 2019 from 5.6% in November 2019. ✓