

National inflation spikes to 6.2% in December

Sri Lanka's countrywide inflation measured by the year-on-year (YoY) change in the National Consumer Price Index (NCPI) spiked to 6.2 percent in December 2019, from 4.1 percent in November, amid higher food prices and low base effect.

Food inflation increased substantially to 8.6 percent in December, from 4 percent in November, while non-food inflation remained unchanged at 4.2 percent.

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The change in the NCPI measured on an annual average basis increased to 3.5 percent in December, from 3 percent in November.

The monthly change of the NCPI was recorded at 1.6 percent and it was solely due to the price increases observed in the items of the food category, caused by the adverse weather conditions prevailed during December.

Within the food category, the prices of vegetables, rice, red onions, coconuts and fish recorded increases.

Meanwhile, the prices of items in the non-food category recorded a decrease in December, owing to the price decreases of the items in communication, housing, water, electricity, gas and other fuels, health and miscellaneous goods and services subcategories, due to the downward tax revisions introduced by the government, with effect from December 1, 2019.

The core inflation, which reflects the underlying inflation in the economy, decreased to 5.2 percent in December, from 5.5 percent 2019, on a YoY basis.

However, the annual average core inflation increased to 5.7 percent, from 5.6 percent in November.