

Colombo consumer price based inflation increased to 5.4-pct in January

Headline inflation as measured by the year-on-year change in the Colombo Consumer Price Index increased to 5.4 percent in January 2020 from 4.8 percent in December 2019, Statistics Department data showed.

This was driven by the monthly increase of prices of items in both Food and Non-food categories.

Food inflation increased substantially to a 25-month high of 11.7 percent in January 2020 from 6.3 percent in December 2019, while Nonfood inflation stood at 2.9 percent.

The change in the CCPI measured on an annual average basis increased marginally to 4.4 percent in January 2020 from 4.3 percent in December 2019.

Monthly change of CCPI recorded at 1.4 percent in January 2020 and it was due to the price increases observed in the items of both Food and Non-food categories.

Within the Food category, prices of vegetables increased significantly due to supply shortages caused by adverse weather conditions prevailed during the previous month.

In addition, prices of coconut, red onions and fresh fruits also recorded increases in January 2020.

Meanwhile, prices of items in the Non-Food category recorded an increase during the month owing to price increases of the items in Housing, Water, Electricity, Gas and

other fuels (housing rent); Education (tuition fee); and Restaurants and Hotels sub-categories.

However, reflecting the downward tax revisions introduced by the government with effect from 01st December 2019, prices of items in Health and Communication sub-categories decreased in January 2020.

The core inflation, which reflects the underlying inflation in the economy, decreased to 3.0 percent in January 2020 from 4.8 percent in December 2019 on a year-on-year basis.

Annual average core inflation also decreased to 5.3 percent in January 2020 from 5.5 percent in December 2019.