

# Inflation declines to 4% in May

Reduction from 5.2% in April driven by statistical impact

HEADLINE inflation as measured by the year-on-year (Y-o-Y) change in the Colombo Consumer Price Index (CCPI) declined to 4% in May from 5.2% in April, the Central Bank said in a statement yesterday.

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## Inflation...

This was solely driven by the statistical effect of the high base prevailed in May 2019. Food inflation (Y-o-Y) declined to 9.9% in May from 13.2% in April. Further, Non-Food inflation (Y-o-Y) also declined to 1.6% in May from 2.1% in April.

The change in the CCPI measured on an annual average basis also declined marginally to 4.7% in May from 4.8% in April.

Monthly change of CCPI recorded at 0.4% was due to price increases observed in the items of both Food and Non-Food categories. Within the Food cat-

egory, prices of fish, dhal and rice recorded increases in May. Meanwhile, prices of items in the Non-Food category recorded increases during the month owing to price increases of the items in Transportation; and Miscellaneous Goods and Services sub-categories.

The core inflation (Y-o-Y) which reflects the underlying inflation in the economy, declined to 2.9% in May from 3.1% in April. Further, annual average core inflation also declined to its 12 months low of 4.4% in May from 4.7% in April.