

Daily news

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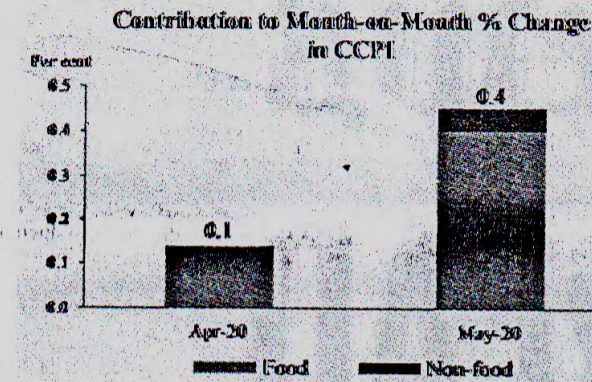
## Headline inflation down to 4 %

Headline inflation as measured by the year-on-year (Y-o-Y) change in the Colombo Consumer Price Index (CCPI, 2013=100) declined to 4 per cent in May 2020 from 5.2 per cent in April 2020.

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 per cent in May 2020 from 13.2 per cent in April 2020. Further, Non-food inflation (Y-o-Y) also declined to 1.6 per cent in May 2020 from 2.1 per cent in April 2020.

The change in the CCPI measured on an annual average basis also declined marginally to 4.7 per cent in May 2020 from 4.8 per cent in April 2020. Monthly change of CCPI recorded at 0.4 per cent was due to



price increases observed in the items of both Food and Non-food categories. Within the Food category, prices of fish, dhal and rice recorded increases in May 2020. 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 Ser-

vices sub-categories. The core inflation (Y-o-Y), which reflects the underlying inflation in the economy, declined to 2.9 per cent in May 2020 from 3.1 per cent in April 2020.

Further, annual average core inflation also declined to its twelve months low of 4.4 per cent in May 2020 from 4.7 per cent in April 2020.