

✓ Inflation decreases in August

Headline inflation decreased to 4.1 per cent in August 2020 from 4.2 per cent in July 2020.

This was mainly driven by the statistical effect of the high base that prevailed in August 2019. Food inflation (Y-o-Y) increased to 12.3 per cent in August 2020 from 10.9 per cent in July 2020, whereas Non-food inflation (Y-o-Y) decreased to 0.8 per cent in August 2020 from 1.5 per cent in July 2020.

The change in the CCPI measured on an annual average basis remained unchanged at 4.8 per cent in August 2020. Monthly change of CCPI recorded at 0.0 per cent in August 2020.

This was due to setting-off the price increase of 0.1 per cent in the Food category, with

the price decline observed in the Non-food category by the same magnitude.

Within the Food category prices of coconut, vegetables and turmeric increased in August 2020.

However, prices of fresh fish and limes recorded significant declines during the month. Within the Non-food category, prices of items in Health (payments to medical laboratories) sub-category declined during the month.

The core inflation (Y-o-Y), which reflects the underlying inflation in the economy, remained unchanged at 3.2 per cent in August 2020. However, annual average core inflation declined further to 3.8 per cent in August 2020 from 4.0 per cent in July 2020.