

Headline inflation at 6.1% in July, core inflation 4.5%: DCS

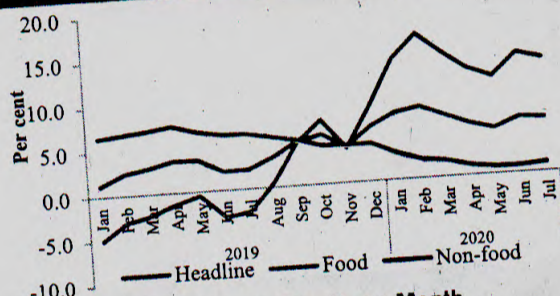
ISSUING the National Consumer Price Index (NCPI), for the month of July 2020, the Director General of Census and Statistics said that headline inflation as measured by the Year-on-Year change (The percentage change in the current month NCPI over same month NCPI of last year) based on the NCPI has been compiled as 6.1%.

The headline inflation reported for the month of June 2020 was 6.3%, DCS added.

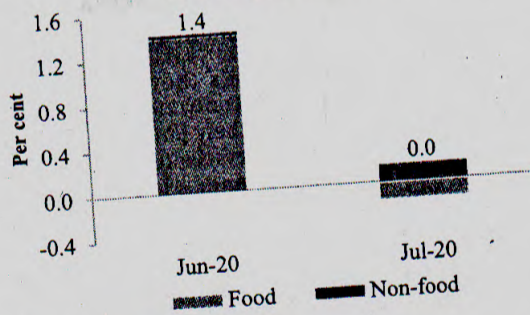
Core inflation, which reflects the underlying inflation by excluding volatile items of food, energy and transport groups in the economy as measured by the Year-on-Year change based on NCPI for the month of July 2020 has increased to 4.5% from 4.4% in June 2020.

It said contributions to the inflation rate of July 2020 from food group and non-food group are 5.6% and 0.5% respectively.

Movement of Year-on-Year % Change in NCPI



Contribution to Month-on-Month % Change in NCPI



Source: Central Bank of Sri Lanka

Whilst contributions of food and non-food groups to the inflation in July 2019 were -1.1% and 3.4% respectively, resulting in a headline inflation of 2.2%.

With respect July 2019, the reported

increase in percentage of food group was mainly due to higher price levels prevailed in this month of July 2020, particularly prices of coconuts, rice, coconut oil, turmeric powder, fresh fish and

sugar. The NCPI for all items for the month of July 2020 was 137.3. It indicates no change in index points or percentage as compared to June 2020 for which the index was 137.3. The month-on-month change was contributed by decrease of index values of food items by 0.15% and increase of index values of non-food items by 0.15% respectively.

Price decreases of food items were reported for vegetables, red onions, limes, rice, garlic, big onions, dried chillies, dried fish, coconuts, sugar, bread fruit, mysore dhal, chili powder, pepper, curry powder and gram. However, increases in index values were reported for potatoes, fresh fruits, turmeric powder, green chillies, biscuits, eggs, fresh fish, chicken, rice flour, papadam and noodles.

The increases in index values of non-food groups in July 2020 compared to the previ-

ous month was due to the price increases in groups of items 'Alcoholic Beverages, Tobacco & Narcotics' (arecanuts) 'Clothing and Footwear', 'Health' (payments to private hospitals room charges) and 'Restaurants and Hotels'. However, price decreases in group of items was reported for 'Miscellaneous Goods and Services'.

Further, very slight price increases was reported in group of 'Transport' and very slight price decreases was reported in group of 'Furnishing, Household equipment Routine household maintenance' compared to the preceding month. Meanwhile, the price indices of 'Housing, Water, Electricity, Gas and Other fuels', 'Communication', 'Recreation and Culture' and 'Education' groups remained unchanged during the month.