

June national inflation declines on base effect

Core inflation accelerates to 3.1%

Headline inflation as measured by the year-on-year (yoy) change in the Colombo Consumer Price Index (CCPI) declined to 3.9 percent in June 2020 from 4.0 percent in May 2020.

This was solely driven by the statistical effect of the high base that prevailed in June 2019, the Central Bank said.

Food inflation (YoY) increased to 10.0 percent in June 2020 from 9.9 percent in May 2020. Meanwhile, Non-food inflation (YoY) declined to 1.4 percent in June 2020 from 1.6 percent in May 2020.

The change in the CCPI measured on an annual average basis remained unchanged at 4.7 percent in June 2020.

Monthly change of CCPI recorded at 0.8 percent was mainly due to price increases observed in the items of the Food category.

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Within the Food category, prices of vegetables and fish recorded increases in June 2020. However, it is noteworthy that the price of coconut reported a significant decline during the month.

Meanwhile, prices of items in the Non-Food category recorded marginal increases in June 2020.

The core inflation (YoY), which reflects the underlying inflation in the economy, increased to 3.1 percent in June 2020 from 2.9 percent in May 2020.

Meanwhile, annual average core inflation declined further to its thirteen months low of 4.2 percent in June 2020 from 4.4 percent in May 2020.