

### Inflation dips to 3.7% in January

HEADLINE inflation as measured by the Year-on-Year change based on the National Consumer Price Index (NCPI) was 3.7% in January down from 4.6% in December.

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### Inflation dips...

The Department of Census and Statistics said, pointing to the inflation rate of January 2021 from food group and non-food group, an 2.7% and 1.9% respectively, whilst contributions of food and non-food groups to the inflation in January 2021 were 3.0% and 1.7% respectively, resulting in a headline inflation of 3.7%.

Compared to the month-on-month changes, the year-on-year (YOY) rate increased to 142.1 from 141.2 reported in December 2020. This shows an increase of 0.9 index points or 0.6 percentage as compared to December 2020. The month-on-month change was contributed by increases of index values of food items by 0.46% and non-food items by 0.14% respectively.

Price increases of food items were reported for rice, cereals, green chilies, vegetables, red onions, fresh fish, fresh fruits, fermented powder, coconut oil, aromatic and other spices. However, price decreases of food items were reported for big onions, potatoes, eggs, mutton and chicken.

The increases in index values of non-food groups in January 2021 compared to the previous month was mainly due to the price increases in groups of items 'Health' (fees to private medical practices, payments to private hospitals, room charges), 'Furnishing' (household equipment and routine household appliances) (wages of servants), 'Housing' (water, electricity, gas and other fees) (materials for the maintenance), 'Transport' (tyres, tubes and spare parts), 'Clothing and footwear', 'Miscellaneous goods and services' and 'Education'.

However, price decrease in group of items was reported in 'Alcoholic beverages, tobacco and narcotics' (arecanuts) compared to the preceding month. Meanwhile, the price indices of communication, recreation and culture and restaurants and hotels groups remained unchanged during the month.

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 January 2021 was reported to 4.2% from 4.7% in December 2020.