

Inflation mutes in March

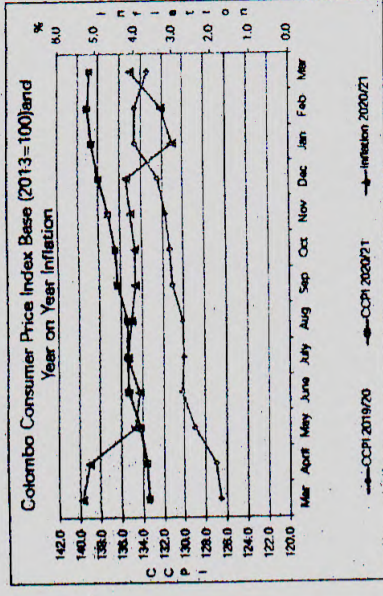
The Colombo Consumer Price Index (CCPI) remained largely unchanged as the country heads into the festive season. The all item index moved from 139.1 in February to 138.9 in March.

From the major groups of items measured restaurant and hotels saw the largest change and increase from 39.6 in February to 145.4 in March. The largest decline was seen in the food and non-alcoholic beverage group from 57.7 to 155.2.

The index would suggest that there had been a decrease in expenditure by Rs154.18 in the market basket. Food items contributed a decrease of 49% and non-food items by 31% respectively to the index.

The price indices of communication, recreation and culture, and education remained unchanged during the period.

The varieties of rice: Kekulu white, Kekulu red, and Madu white saw a price increase. The Nadu white



variety of rice saw a price decrease. All major 4 categories of rice measured by the CCPI are over Rs 100 per kilogram. The overall rate of inflation as measured by the CCPI on an annual basis was 4.1% in March and 3.3% on a Y-o-Y comparison with the month of February. The Y-o-Y inflation in the food category has increased from 7.9% to 9.6% in March. The non-food group has increased from 1.3% to 1.8% in March. The moving average rate of inflation for the month of March is 4%.

The collection of data was hampered due to COVID-19 restrictions in February. Accordingly, the figures for February were compiled in certain instances on the basis of phone calls while the figures in March were compiled through in-person visits.

The press release by the Department of Census and Statistics notes: When facing numbers of missing prices, it is important to mention that all temporarily missing prices were imputed using the methods described in the Consumer Price Index Manual.