

## Inflation rises to 16.8% in January; food inflation up 24.4%

HEADLINE inflation in January had risen to 16.8% as against 14% in the previous month, the Census and Statistics Department (DCS) revealed yesterday.

DCS said as per the National Consumer Price Index (NCPI), contributors to the inflation rate of January 2022 from the food group and non-food group was 11.4% and 5.4% respectively. Whilst contributions of food and non-food groups to the inflation in January 2021 were 2.7% and 1.0% respectively, resulting in a headline inflation of 3.7%.

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### Inflation...

DCS said the reported inflation for January was mainly due to the higher price levels prevailing in both food and non-food groups. Accordingly, the Year-on-Year inflation of the food group increased to 24.4% in January 2022 from 21.5% in December 2021 and the Year-on-Year inflation of the non-food group increased to 10.2% in January 2022 from 7.6% in December 2021.

Comparing the month-on-month changes, NCPI in January 2022 has increased to 166.0 from 161.0 reported in December 2021. This shows an increase of 5.0 index points or 3.1 percentage as compared to December 2021. The month-on-month change was con-

tributed by increases of index values of food items by 1.71% and non-food items by 1.35% respectively.

Price increases of food items were reported for rice, milk powder, fresh fruits, fresh fish, wheat flour, bread, vegetables, coconut oil, chicken, chilli powder, dried chillies, green chillies, mysore dhal, infant milk powder, coconuts, dried fish, potatoes, red onions and big onions. However, decreases in index values were reported for limes and eggs.

The increases in index values of non-food groups in January 2022 compared to the previous month was mainly due to the price increases in groups of items 'Alcoholic Beverages, Tobacco and Narcotics' (Betel leaves), 'Clothing

and Footwear', 'Housing, Water, Electricity, Gas and Other fuels' (Material for the Maintenance), 'Furnishing, Household equipment and Routine household maintenance', 'Health' (Fees to private medical practices), 'Transport' (Petrol & Diesel, Bus fare), 'Recreation and Culture', 'Education' (Tuition fees), 'Restaurants and Hotels' and 'Miscellaneous Goods and Services'.

Meanwhile, the price indices of the 'Communication' group 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 2022 was increased to 12.9% from 10.8% reported in December 2021.