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Consumer price increase slows down in February

- February CCPI reduces to 5.9%
- Decrease comes after two consecutive months of expansion in inflation
- Deceleration broadly in line with projects of Central Bank
- Food inflation expands to 3.5% YoY while non-food inflation contracts to 7%

Consumer prices in Colombo rose at a slower pace in February compared to the previous month, indicating a slight dampening in the cost of living.

Data from the Department of Census and Statistics (DCS) revealed that the Colombo Consumer Price Index (CCPI) recorded a year-on-year inflation rate of 5.9 percent in February, down from 6.4 percent in January. This decline follows two consecutive months of expansion in December 2023 and January 2024.

The deceleration in headline inflation is broadly in line with the projections of Central Bank of Sri Lanka (CBSL).

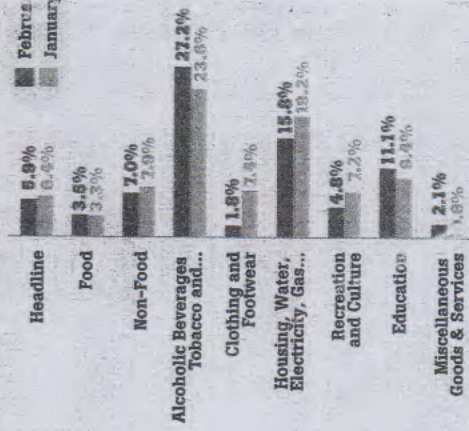
The CCPI for all items for the month of February was 200.6 and recorded a decrease of 0.1 index points. This is a 0.1 percentage change compared to January.

"This represents a decrease in the expenditure value by Rs. 92.52 in the 'market basket'," the DCS said.

In the food group, the YoY inflation increased to 3.5 percent from 3.3 percent in January. However, the non-food group saw YoY inflation decrease to 7 percent in February from 7.9 percent in January.

In February, the contribution to inflation by

CCPI in February 2024 vs January 2024



Source: Department of Census and Statistics

food commodities was 1.13 percent while non-food items contributed 4.74 percent.

In the food category, increases were seen in egg, yogurt, rice, fresh milk, curd, and fruit drinks and cordial. Decrease in values was seen in fresh fish, big onions, green chilli, red onions, lime, vegetables and fresh fruit. A decrease was also seen in chicken, rice powder, sugar, turmeric powder, coconut, potatoes and tea leaves.

Meanwhile, increase in the non-food group was due to price surge in groups of items such as 'housing, water, electricity and gas' (3.6 percent), 'education' (0.46 percent), and 'alcoholic beverages, tobacco and narcotics' (0.44 percent), among others.

Decrease in value changes were seen for groups such as 'furnishing household equipment and routine household maintenance' (0.01 percent) and 'transport' (0.14 percent).

In a statement, the Central Bank said



inflation is expected to remain above the target in the near term mainly driven by the recent tax adjustments. It is expected to stabilise around the targeted level of 5 percent over time, supported by well anchored inflation expectations and appropriate policy measures.

The CCPI is compiled to indicate average changes in prices of goods and

services purchased by households in urban areas of Colombo district. The price collection of the index (Base 2021 = 100) has covered 10 price collection centres including Peliyagoda, Maradana, Wellawatte, Dematagoda, Grandpass, Kirulapone, Nugegoda, Rathmalana, and th; Narahenpita, and Rathmalana Dedicated Economic Centre.