



Central Bank says inflation up due to food prices increase

CENTRAL Bank on Friday (30) said inflation in November rose because of the increase in good prices.

It said inflation, as measured by the Colombo Consumers' Price Index (CCPI) computed by the Department

of Census and Statistics, increased to 9.5% in November 2012 on a year-on-year (YoY) basis from 8.9% in the previous month mainly due to the increase in food prices. Moreover, the inflation rate on an annual average basis increased to

7.2% in November 2012 from 6.8% in October 2012.

Core inflation increased both on a YoY and annual average basis to 7.2% and 5.6%, respectively, in November 2012 from 6.8% and 5.4%, respectively, in

October 2012.

The CCPI increased by 1.3% in November 2012 over the previous month, with the Index increasing in absolute terms to 167.1 from 165.0 in October 2012. The contribution to the monthly increase in the Index came mainly

from price increases in the Food category (by 2.4%). The prices of many varieties of vegetables, red onions, big onions, potatoes, coconuts, wheat flour and bread increased during the month. However, a decrease in the prices of

eggs and some varieties of fresh fish, dried fish and fruits was reported. Within the non-food category, prices increased in the sub-categories of clothing and footwear (by 0.4%) Housing, Water, electricity, gas and other fuels (by 0.4%),

furnishing, household equipment and routine household maintenance (by 1.0%), transport (by 0.2%) and miscellaneous goods and services (by 0.4%). Meanwhile, the prices in the sub-categories of health; communication; recreation and culture; and education were unchanged during the month.



R.L.