

Inflation decelerates further in September 2012

Inflation, as measured by the Colombo Consumers' Price Index (CCPI) (2006/07=100) computed by the Department of Census and Statistics, declined to 9.1 percent in September 2012 on a year-on-year (YoY) basis from 9.5 percent in the previous month, mainly due to the price decreases in the food category.

However, the annual average inflation rate rose to 6.5 percent in September 2012 from 6.3 percent in August 2012.

Meanwhile, core inflation increased to 6.2 percent in September 2012 on a YoY basis, from 5.9 percent in August 2012, while it continued the declining trend and reached 5.3 percent on an annual average basis from 5.4 percent in the previous month.

The CCPI declined by 0.1 percent in September 2012 over the previous month, with the index decreasing in absolute terms to 165.5 from 165.7 in August 2012. The contribution to the monthly decrease in the index came mainly from price decreases in the food category (by 0.3 percent). The decline in the prices of most varieties of vegetables, fish and sea food, potatoes, big onions and red onions contributed to the decrease in the food category of CCPI.

However, an increase in the prices of eggs, fruits, infant milk powder and rice was reported during the month. Within the Non-Food category, prices increased marginally in the sub-categories of clothing and footwear (by 0.7 percent); furnishing, household equipment and routine household maintenance (by 0.2 percent); health (by 0.3 per cent) and miscellaneous goods and services (by 1.0 percent). Meanwhile, the prices in the sub-categories of housing, water, electricity, gas and other fuels; transport; communication; recreation and culture; and education remained unchanged during the month.

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