

Inflation decreases in August

Inflation, as measured by the Colombo Consumers' Price Index (CCPI) computed by the Department of Census and Statistics decreased to 8 per cent in August 2013 from 8.3 percent recorded in the previous month, on an annual average basis.

However, the inflation rate on a year-on-year (YoY) basis increased to 6.3 percent in August 2013 from 6.1 percent in the previous month according to a release by the Central Bank.

This increase was mainly due to the low base that prevailed in August 2012. Core inflation on a YoY basis remained unchanged at 3.1 percent in August 2013 as recorded in the

previous month while it continued to decline to 5.9 percent from 6.2 percent in July 2013 on an annual average basis.

The CCPI decreased by 0.3 percent in August 2013 over the previous month, with the Index decreasing in absolute terms to 176.2 from 176.8 in July 2013.

The contribution to the monthly decrease in the Index came mainly from price decreases (by 0.8 percent) in the Food and Non Alcoholic Beverages sub-category. Within the Food category, the prices of all varieties of rice, most varieties of vegetables and fresh fish, dried fish, eggs and red onions decreased during the month.

However, an increase in

the prices of some varieties of fruits, big onions, limes, potatoes, infant milk powder and sugar was reported.

Within the Non-Food category, increases in prices were reported in the sub-categories of Education (by 0.6 percent); Clothing and Footwear (by 0.1 percent); and Miscellaneous Goods and Services (by 0.3 percent). Meanwhile, the prices in the sub-categories of Housing, Water, Electricity, Gas and Other Fuels; Furnishing, Household Equipment and Routine Household Maintenance; Health, Transport, Communication and Recreation and Culture remained almost unchanged during the month.

