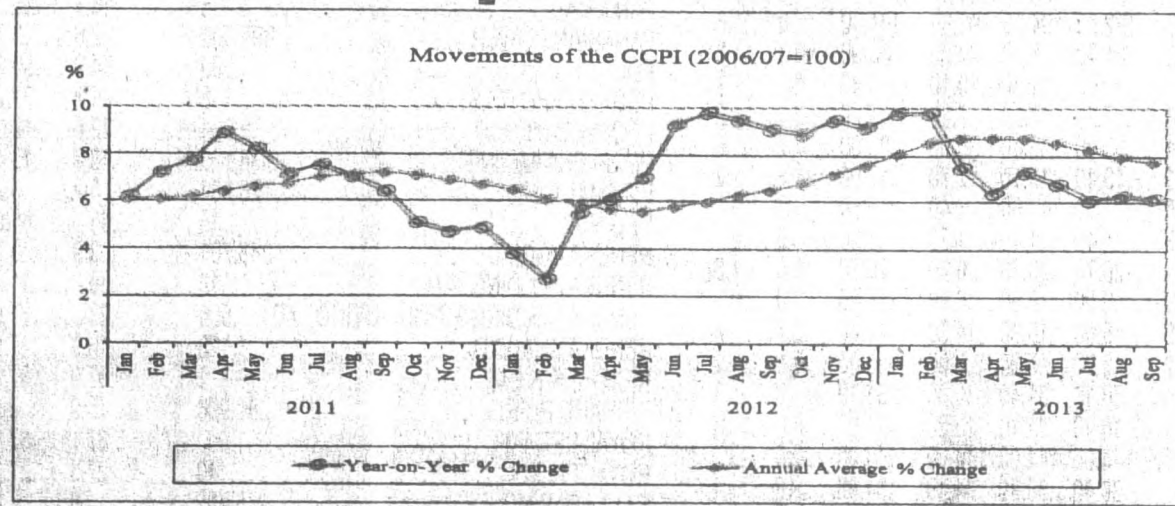# CB: Inflation declines in September 2013, led by low food prices

Inflation, as measured by the Colombo Consumers' Price Index (CCPI) (2006/07=100) computed by the Department of Census and Statistics decreased to

6.2 per cent in September 2013 from 6.3 per cent in the previous month, on a year-on-year (YoY) basis, mainly due to low food prices. The annual average inflation rate also decreased further to 7.8 per cent in September 2013 from 8.0 per cent in the previous month, for the fourth consecutive month, the Central Bank said.

"Core inflation on both YoY and annual average basis decreased to 3.0 per cent and 5.7 per cent, respectively, in September 2013 from 3.1 per cent and 5.9 per cent, respectively, in August 2013.

"The CCPI decreased by 0.2 per cent in September 2013 over the previous month, with the Index decreasing in absolute terms to 175.8 from 176.2 in August 2013. The contribution to the monthly decrease in the Index came mainly from price decreases (by

Movements of the CCPI (2006/07=100)

Year-on-Year % Change   Annual Average % Change

0.5 per cent) in the Food and Non Alcoholic Beverages sub-category.

"Within the Food category, the prices of almost all varieties of rice, vegetables, fresh fish, dried fish, chicken, potatoes, green chillies and big onions decreased during the month. However, an increase in the prices of some varieties of fruits, coconuts, infant milk powder, eggs, red onions and limes was reported. Within the Non-Food category, decrease in prices was reported in the sub-category of Clothing and Footwear (by 0.3 per cent). However,

the prices in the sub-categories of Housing, Water, Electricity, Gas and Other Fuels (by 0.1 per cent); Furnishing, Household Equipment and Routine Household Maintenance (by 0.1 per cent); Health (by 0.2 per cent); Transport (by 0.1 per cent); Recreation and Culture (by 1.0 per cent) and Miscellaneous Goods and Services (by 0.1 per cent) increased. Meanwhile, the prices in the sub categories of Communication and Education remained unchanged during the month," the Central Bank said.

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