

# Higher power tariffs push May inflation to 7.3%

■ **By DILINA KULATHUNGA**

Though the recent electricity tariff hike impact on the country's overall inflation was taken too lightly by the government, it appears to have played a major role in pushing up the Colombo Consumer Price Index (CCPI) by 7.3 percent in May from 6.4 percent in April on a Year-on-Year (YoY) basis.

The value of the sub-category under non-food category; housing water, electricity, gas and other fuels rose 1.96 percent, the highest increase under any sub-category becoming the single highest contributor to CCPI increase from April to May. The non-food segment as a whole rose by 2.02 percent bringing its

- Annual inflation spikes to 7.3% from 6.4% in April
- Non-foods; highest contributor with 52%
- Domestic & imported foods prices increase

value to Rs. 958.53 during the same period.

According to the Census and Statistics Department, the prices of petrol, diesel, and gas increased on a YoY basis by 9 percent, 5 percent and 17 percent respectively in May with Kerosene Oil remaining unchanged. The department was silent on changes in electricity tariffs on YoY basis.

On YoY basis, the highest contribution to the overall increase of around 52 percent

came from non-food commodities which increased by 4 percent in May 2013.

The YoY inflation in non-food category only almost doubled from 3.6 percent in April to 6.8 percent in May.

The food inflation declined to 7.9 percent from 9.9 percent in April on YoY basis continuing its decreasing trend since February 2013.

Among the food commodities, rice, vegetables and fish and sea food which have substantial weights in the CCPI basket recorded price increases on Year-on-Year basis. The department further stated that the combined effects of both domestically produced and imported food commodities contributed to the increase in

the food sub index.

The CCPI index for all items in May was 173.9, an increase of 3.9 index points or 2.3 percentage was noted in May from April 2013 index which was 170.0.

This increase represents expenditure value of Rs.1094.72 in the 'Market Basket' for May.

In relation to the Colombo district, YoY inflation for Food decreased by 2.0 percent in May 2013 while YoY inflation for Non Food increased by 3.2 percent when compared with month of April 2013.

Meanwhile the annual average inflation measured by 12 Month Moving Average stood at record high at 8.8 percent for the third straight month.



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