

# Inflation decreases in September

Headline Inflation, as measured by the change in the National Consumer Price Index (NCPI, 013-100), which is compiled by the Department of Census and Statistics (DCS), decreased to 0.9 per cent in September 2018, the lowest since January 2016, from 2.5 per cent in August 2018 on year-on-year basis.

The deceleration in year-on-year inflation in September was driven by both the base effect and the monthly decline in food prices. The change in the NCPI measured on an annual average basis decreased from 4.7 per cent in August 2018 to 4.0 per cent in September 2018.

When the monthly change is considered, the NCPI decreased from 125.4 index points in August 2018 to 124.4 index points

September 2018 due to decline in prices of the items in the Food category, particularly that of vegetables, coconuts, green chillies and fresh fish.

Meanwhile, price increases were observed in the non-food category, particularly that of Alcoholic Beverages and Tobacco; Transport and Restaurants and Hotels sub-categories.

The NCPI Core inflation, which reflects the underlying inflation in the economy, increased to 3.1 per cent in September 2018 from 2.7 per cent in August 2018 on year-on-year basis. Meanwhile, annual average NCPI Core inflation declined to 2.4 per cent in September 2018 from 2.5 per cent in August 2018.

Statistics Department