

INFLATION DOWN TO 3.1% IN NOV.

The core inflation, which reflects the underlying inflation in the economy, decreased to 3.1% in November from 3.4% in October on year-on-year basis. The annual average core inflation remained unchanged at 2.4% in November.

However the headline inflation as measured by the year-on-year change in the National Consumer Price Index (NCPI, 2013=100) reversed its declining trend, recording 1 per cent in November 2018 from 0.1 per cent in October 2018.

The increase observed in year-on-year inflation in November 2018 is mainly driven by the increase of the prices of Food items. Year-on-year Food inflation increased to -3.9 per cent in November 2018 from -6.6 per cent in October 2018. However, year-on-year Non-food inflation decreased from 5.8 per cent in October 2018 to 5.2 per cent in November 2018.

The change in the NCPI

measured on an annual average basis decreased to 2.7 per cent in November 2018 from 3.3 per cent in October 2018.

The month on month change of the NCPI increased by 2.2 per cent in November 2018 due to increase in the prices of the items in the Food category, particularly that of vegetables, green chillies, rice, limes and potatoes.

Meanwhile, prices of the items in the Non-food category also increased during the month where Health sub-category reported the highest increase.

