

December...

The decrease observed in year-on-year inflation in December 2018 is driven by the decrease of prices of items in both Food and Non-Food categories. Year-on-year Food inflation decreased to -4.5% in December 2018 from -3.9 % in November 2018 while year-on-year Non-Food inflation also decreased from 5.2 % in November 2018 to 4.7% in December 2018.

The change in the NCPI measured on an annual average basis decreased to 2.1% in December 2018 from 2.7% in November 2018. The month-on-month change of the NCPI was -0.5% in December 2018. This was mainly due to decrease in the prices of the items in the Non-Food category where the Transport sub-category (petrol, diesel, and bus fare) recorded the highest decrease.

Moreover, prices of items in the Communications, Alcoholic Beverages and Tobacco sub-categories also reported decreases during the month. At the same time, prices of the items in the Food category decreased where vegetables, limes, big onions, banana and coconuts recorded prominent decreases.

The core inflation, which reflects the underlying inflation in the economy, remained at 3.1% in December 2018 on a year-on-year basis. Meanwhile, annual average core inflation also remained unchanged at 2.4% in December 2018.