

# March inflation rises 4.3% on higher non-food prices

Basic food prices eased and non-food prices rose in March, nudging the Colombo Consumer Price Index (CCPI) up 4.3 percent during March from a year ago, from 4.0 percent in February.

The CCPI is the closely watched gauge for price behaviour in the Sri Lankan economy. In recent times the prices have moderated to mid-single digits due to easing of food prices giving wiggle room for the Monetary Board to stay pat.

But upward pressure on prices came from the non-food items during March mainly due to once-a-month revision of fuel prices and sharp increase in prices of alcoholic beverages and cigarettes. The food price index, which tracks a basket of items ranging from rice to poultry to vegetables and fruits to spices, fell by 1.6 percent from February prices, continuing a trend that began in October 2018.

The prices of rice increased

sharply from a month ago, followed by price of chicken and a few varieties of fruit and spices.

Vegetable prices declined sharply pulling down the entire food sub-index with the price of coconuts, big onions and sea fish following suit.

Conversely, non-food prices rose by 0.4 percent in March from February prices with none of the sub-sectors showing a decline in prices during the month.

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