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CENTRAL BANK OF SRI LANKA

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# Press Release

Issued By Statistics Department

Date 2020-01-21

## Inflation increased in December 2019

### Headline Inflation

Year-on-year inflation : 6.2%

Annual Average inflation : 3.5%

Monthly Change : 1.6%

### Core Inflation

Year-on-year inflation : 5.2%

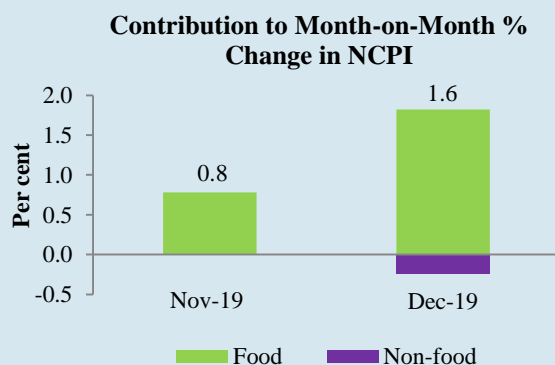
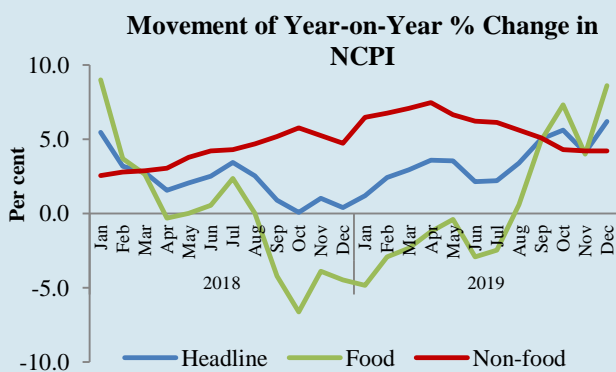
Annual Average inflation : 5.7%

Monthly Change : -0.3%

Headline inflation as measured by the year-on-year (Y-o-Y) change in the National Consumer Price Index (NCPI, 2013=100)<sup>1</sup> increased to 6.2 per cent in December 2019 from 4.1 per cent in November 2019. This was driven by monthly increase of prices of items in the Food category along with the statistical effect of the low base prevailed in December 2018. Food inflation (Y-o-Y) increased substantially to 8.6 per cent in December 2019 from 4.0 per cent in November 2019, while Non-food inflation (Y-o-Y) remained unchanged at 4.2 per cent.

The change in the NCPI measured on an annual average basis increased to 3.5 per cent in December 2019 from 3.0 per cent in November 2019.

Monthly change of NCPI recorded at 1.6 per cent in December 2019 and it was solely due to the price increases observed



<sup>1</sup>The National Consumer Price Index (NCPI, 2013=100) is compiled by the Department of Census and Statistics.

in the items of the Food category caused by adverse weather conditions prevailed during December 2019. Within the Food category, prices of vegetables, rice, red onions, coconuts and fish recorded increases in December 2019. Meanwhile, prices of items in the Non-Food category recorded a decrease during the month owing to price decreases of the items in Communication; Housing, Water, Electricity, Gas and other fuels; Health; and Miscellaneous Goods and Services sub-categories due to downward tax revisions introduced by the government with effect from 01<sup>st</sup> December 2019.

The core inflation, which reflects the underlying inflation in the economy, decreased to 5.2 per cent in December 2019 from 5.5 per cent in November 2019 on year-on-year basis. However, annual average core inflation increased to 5.7 per cent in December 2019 from 5.6 per cent in November 2019.

**Movements of the NCPI**  
**Base: 2013 = 100**

Year	Month	Index Number		Monthly Percentage Change		Year-on-Year Percentage Change		Annual Average Percentage Change	
		NCPI	NCPI (Core)	NCPI	NCPI (Core)	NCPI	NCPI (Core)	NCPI	NCPI (Core)
2017	December	126.6	123.8	0.2	0.0	7.3	2.7	7.7	4.9
2018	January	125.8	123.9	-0.6	0.1	5.4	2.1	7.6	4.5
	February	123.7	124.4	-1.7	0.4	3.2	2.0	7.2	4.1
	March	122.8	124.6	-0.7	0.2	2.8	1.9	6.7	3.6
	April	122.9	124.8	0.1	0.2	1.6	1.9	6.1	3.3
	May	124.3	125.1	1.1	0.2	2.1	1.7	5.7	3.1
	June	126.5	125.3	1.8	0.2	2.5	1.8	5.3	2.9
	July	126.6	125.7	0.1	0.3	3.4	2.3	5.1	2.7
	August	125.4	126.3	-0.9	0.5	2.5	2.7	4.7	2.5
	September	124.4	126.9	-0.8	0.5	0.9	3.1	4.0	2.4
	October	124.9	127.3	0.4	0.3	0.1	3.4	3.3	2.4
	November	127.7	127.6	2.2	0.2	1.0	3.1	2.7	2.4
	December	127.1	127.6	-0.5	0.0	0.4	3.1	2.1	2.4
2019	January	127.3	130.2	0.2	2.0	1.2	5.1	1.8	2.7
	February	126.7	131.3	-0.5	0.8	2.4	5.5	1.7	3.0
	March	126.4	131.8	-0.2	0.4	2.9	5.8	1.7	3.3
	April	127.3	132.6	0.7	0.6	3.6	6.3	1.9	3.7
	May	128.7	133.0	1.1	0.3	3.5	6.3	2.0	4.0
	June	129.2	133.0	0.4	0.0	2.1	6.1	2.0	4.4
	July	129.4	133.4	0.2	0.3	2.2	6.1	1.9	4.7
	August	129.7	133.7	0.2	0.2	3.4	5.9	2.0	5.0
	September	130.6	134.0	0.7	0.2	5.0	5.6	2.3	5.2
	October	131.9	134.4	1.0	0.3	5.6	5.6	2.8	5.4
	November	132.9	134.6	0.8	0.1	4.1	5.5	3.0	5.6
	December	135.0	134.2	1.6	-0.3	6.2	5.2	3.5	5.7

Source: Department of Census and Statistics