



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Communications Department

30, Janadhipathi Mawatha, Colombo 01, Sri Lanka.

Tel : 2477424, 2477423, 2477311

Fax: 2346257, 2477739

E-mail: dcommunications@cbsl.lk, communications@cbsl.lk

Web: www.cbsl.gov.lk

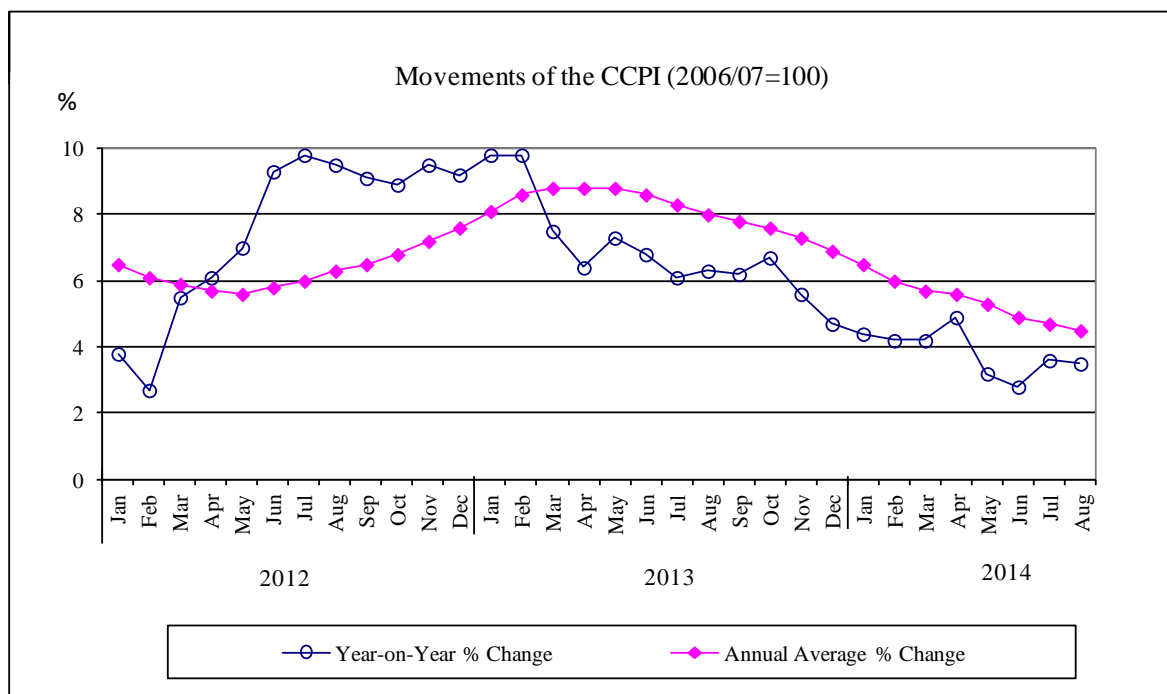
Press Release

Issued By Statistics Department

Date 2014 - 08 - 29

Inflation declines in August 2014

Inflation, based on the change in the Colombo Consumers' Price Index (CCPI) (2006/07=100), which is computed by the Department of Census and Statistics, continued its decelerating trend observed since June 2013 and reached 4.5 per cent in August 2014 compared to 4.7 per cent in July 2014, on an annual average basis. The year-on-year (YoY) inflation also decreased to 3.5 per cent in August 2014 from 3.6 per cent in the previous month, as a result of decrease in price of food items, especially of vegetables.



The decline in prices of items in the Food and Non-alcoholic beverages sub-category was the main contributor to the monthly decrease (0.5 per cent) in the CCPI in August 2014. Within the Food category, average prices of almost all the varieties of vegetables, green chilies, potatoes, red onions and some varieties of fish decreased compared to the previous month due to the seasonal factors. Meanwhile, prices of rice, fruits and eggs increased during the month.

Within the Non-food category, prices of items in the sub group of Clothing and Footwear; Communication; Recreation and Culture; and Miscellaneous Goods and Services increased. Prices in all the other sub groups, namely, Housing, Water, Electricity, Gas and other Fuels; Furnishing, Household Equipment and Routine Household Maintenance; Health; Transport; and Education almost remained unchanged during the month compared to the previous month.

Core inflation, which indicates the underlying inflation in the economy, increased marginally in August 2014, over the previous month. Accordingly, core inflation, on a YoY and annual average basis, increased to 3.9 per cent and 3.2 per cent, respectively, in August 2014 from 3.7 per cent and 3.1 per cent, respectively, in July 2014.