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இலங்கை மத்திய வங்கி
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Press Release

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Inflation declined further in October 2018

Headline inflation as measured by the year-on-year change in the National Consumer Price Index (NCPI, 2013=100)¹ continued to decline for the third consecutive month, recording 0.1 per cent in October 2018, the lowest since January 2016. The deceleration observed in year-on-year inflation in October 2018 is mainly driven by the higher base prevailed during the corresponding month of the previous year due to higher food prices. Year-on-year Food inflation dropped for the third consecutive month and recorded -6.6 per cent in October 2018. However, year-on-year Non-food inflation continued to increase and reached 5.8 per cent during the month.

The change in the NCPI measured on an annual average basis decreased to 3.3 per cent in October 2018 from 4.0 per cent in September 2018.

The month on month change of the NCPI increased by 0.4 per cent in October 2018 due to increase in the prices of the items in the Non-food category, particularly that of Transport (Petrol, Diesel,

Headline Inflation

Year-on-year inflation : 0.1%

Annual Average inflation : 3.3%

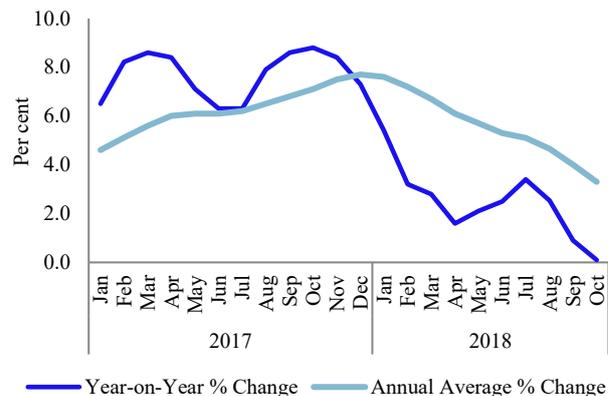
Monthly % Change : 0.4%

Core Inflation

Year-on-year inflation : 3.4%

Annual Average inflation : 2.4%

Monthly % Change : 0.3%



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

Bus Fare and Train Fare) and Miscellaneous Goods and Services sub-categories. Meanwhile, prices of the items in the Food category declined during the month where prominent price declines were observed in fresh fish, eggs and coconuts.

The core inflation, which reflects the underlying inflation in the economy, increased to 3.4 per cent in October 2018 from 3.1 per cent in September 2018 on year-on-year basis. Meanwhile, annual average core inflation remained unchanged at 2.4 per cent in October 2018.

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	January	119.3	121.4	1.1	0.7	6.5	7.1	4.6	6.2
	February	119.9	122.0	0.5	0.5	8.2	7.1	5.1	6.4
	March	119.5	122.3	-0.3	0.2	8.6	7.0	5.6	6.6
	April	121.0	122.5	1.3	0.2	8.4	5.9	6.0	6.6
	May	121.8	123.0	0.7	0.4	7.1	4.7	6.1	6.4
	June	123.4	123.1	1.3	0.1	6.3	4.1	6.1	6.1
	July	122.4	122.9	-0.8	-0.2	6.3	4.2	6.2	5.9
	August	122.3	123.0	-0.1	0.1	7.9	4.8	6.5	5.8
	September	123.3	123.1	0.8	0.1	8.6	4.6	6.8	5.7
	October	124.8	123.1	1.2	0.0	8.8	4.1	7.1	5.6
	November	126.4	123.8	1.3	0.6	8.4	2.8	7.5	5.2
	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

Source: Department of Census and Statistics