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## CCPI based headline inflation dipped into the negative territory in September 2024

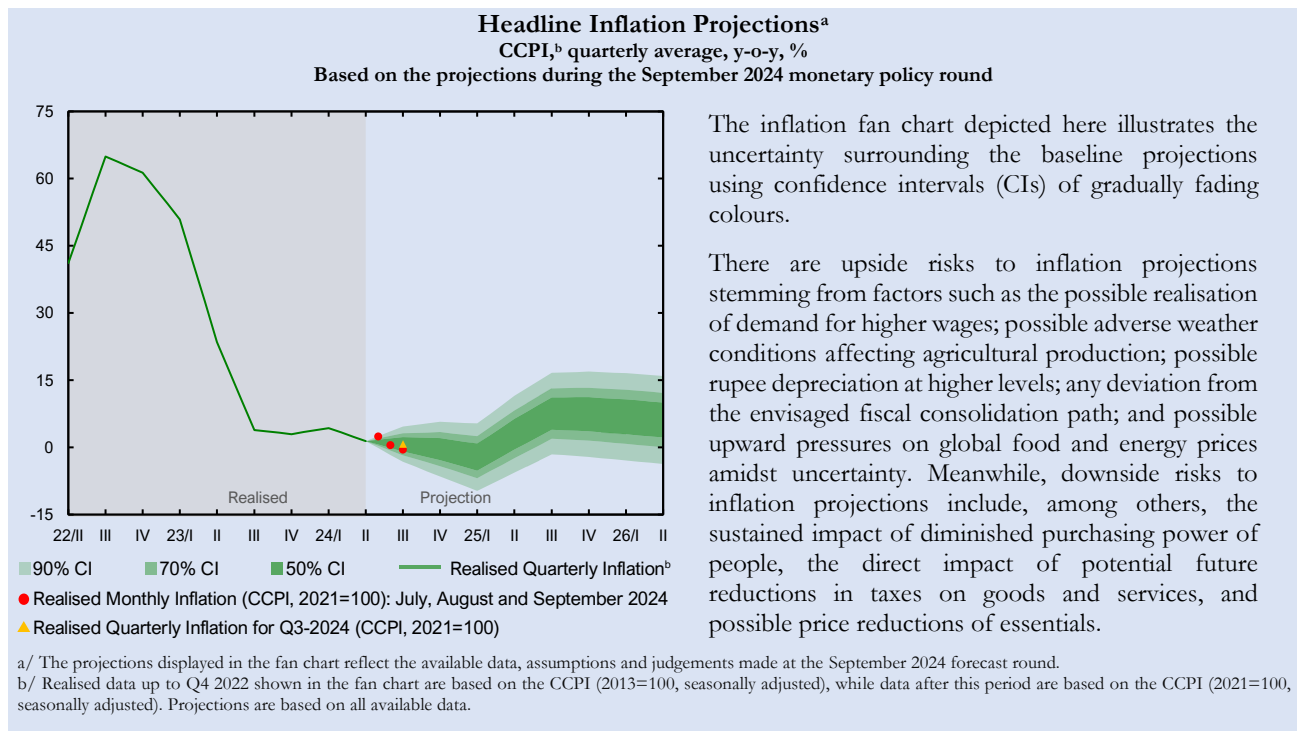
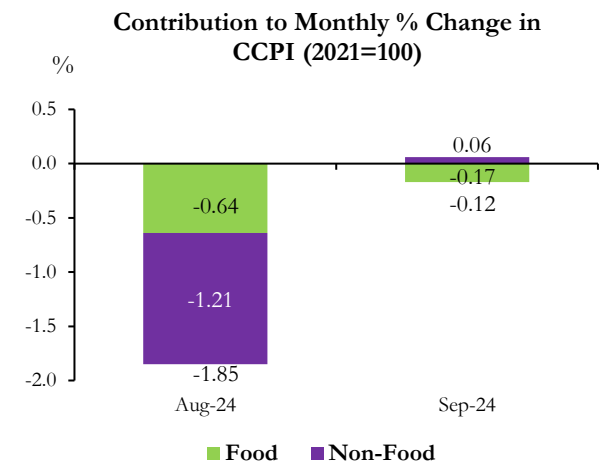
Headline inflation, as measured by the year-on-year (Y-o-Y) change in the Colombo Consumer Price Index (CCPI, 2021=100)<sup>1</sup> entered into negative territory, recording a deflation of 0.5% in September 2024, for the first time since September 2015.<sup>2</sup>

Food category recorded a deflation (Y-o-Y) of 0.3% in September 2024 compared to the inflation of 0.8% in August 2024. Further, Non-Food category also recorded a deflation (Y-o-Y) of 0.5% in September 2024 compared to the inflation of 0.4% in August 2024.

On a month-on-month basis, the CCPI recorded a decline of 0.12% in September 2024 due to the combined effect of price decreases of -0.17% observed in the items of the Food category and the price increases of 0.06% observed in the items of the Non-Food category. Meanwhile, core inflation (Y-o-Y), which reflects the underlying inflation trends in the economy, declined to 3.3% in September 2024 from 3.6% in August 2024.

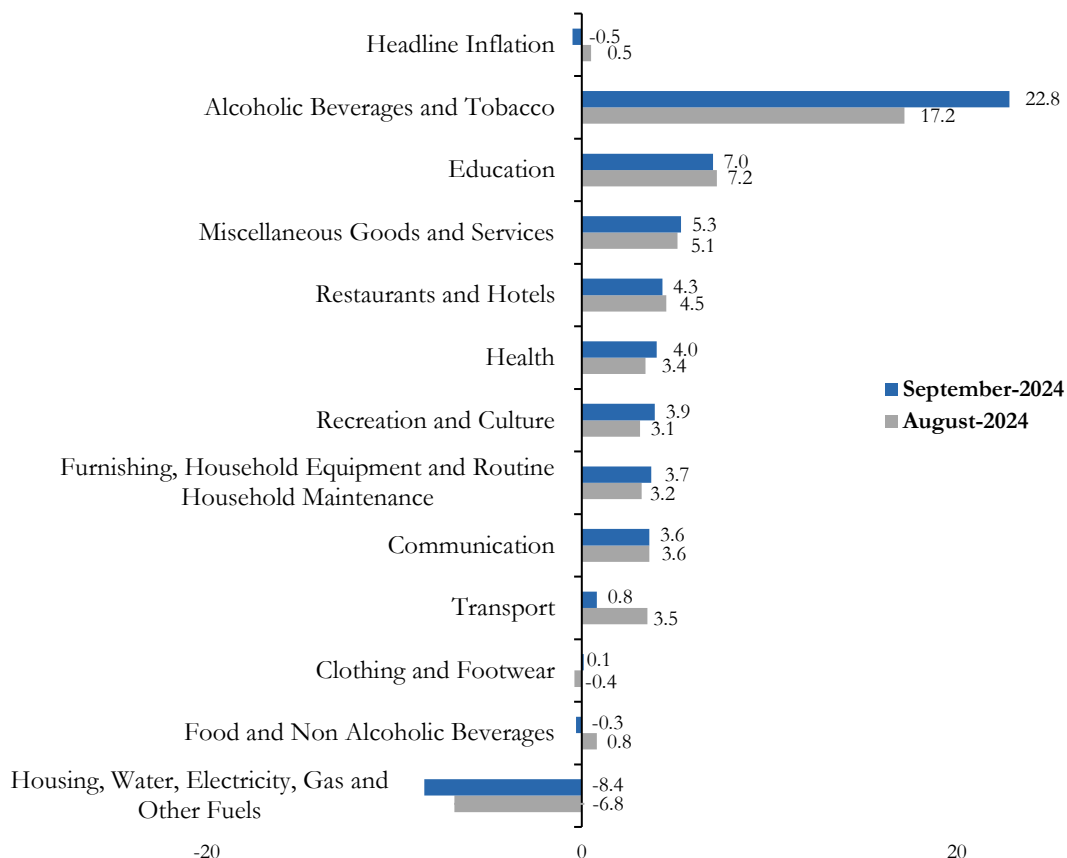
The realised quarterly average headline inflation for Q3-2024 is in line with the Central Bank’s inflation projections. Looking forward, headline inflation is expected to remain notably below the 5% target in the forthcoming months, while deflation could continue for a few months, driven by changes to administratively determined prices and easing of supply conditions. Nevertheless, over the medium term, inflation is expected to gradually align with and remain around the target level, aided by appropriate policy measures.

Inflation CCPI (2021=100)	August 2024	September 2024
Index Value	191.1	190.9
Monthly Change (%)	-1.85	-0.12
Y-o-Y Inflation (%)	0.5	-0.5



<sup>1</sup> The Colombo Consumer Price Index (CCPI, 2021=100) is compiled by the Department of Census and Statistics (DCS) to indicate average changes in the prices of goods and services purchased by households in urban areas of Colombo district.  
<sup>2</sup> A deflation of 0.3% was last recorded in September 2015 (CCPI, 2006/07=100).

### CCPI (2021=100) based Headline Inflation by Subcategory (Y-o-Y % Change)



### Movement of the CCPI (2021=100)

Period		Index Number		Monthly % Change		Y-o-Y % Change		Annual Average % Change	
Year	Month	CCPI	CCPI (Core)	CCPI	CCPI (Core)	CCPI	CCPI (Core)	CCPI	CCPI (Core)
2023	September	191.8	172.0	0.9	0.5	1.3	1.9	-	-
	October	191.4	172.4	-0.2	0.2	1.5	1.2	-	-
	November	193.4	172.4	1.0	0.0	3.4	0.8	-	-
	December	195.1	172.5	0.9	0.1	4.0	0.6	17.4	14.5
2024	January	200.7	176.2	2.9	2.1	6.4	2.2	14.2	11.3
	February	200.6	177.2	0.0	0.6	5.9	2.8	11.3	8.5
	March	196.7	177.3	-1.9	0.1	0.9	3.1	8.0	6.1
	April	195.2	177.3	-0.8	0.0	1.5	3.4	5.7	4.4
	May	194.1	177.0	-0.6	-0.2	0.9	3.5	3.9	3.3
	June	195.6	177.4	0.8	0.2	1.7	4.4	3.1	2.8
	July	194.7	177.9	-0.5	0.3	2.4	4.4	2.8	2.7
	August	191.1	177.3	-1.8	-0.3	0.5	3.6	2.5	2.7
	September	190.9	177.6	-0.1	0.2	-0.5	3.3	2.4	2.8

Note: As per DCS, Y-o-Y inflation and monthly change are calculated using the rounded off index numbers.

Source: Department of Census and Statistics