



Issued By Communications Department

Date 31.12.2024

CCPI-based headline inflation continued to remain in the negative territory in December 2024

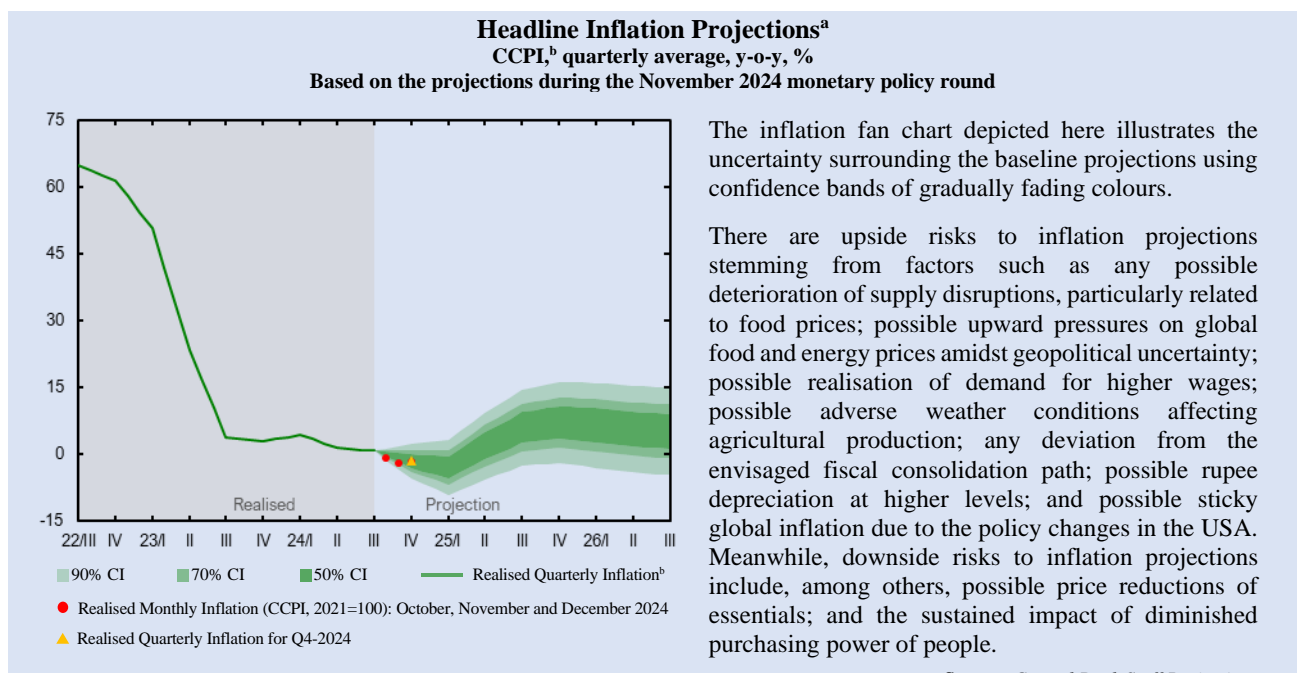
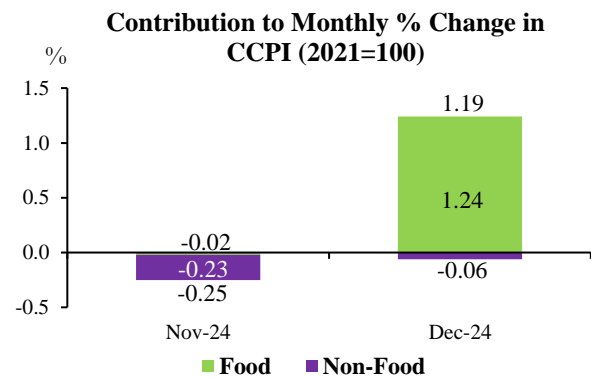
In line with the Central Bank’s near term projections, headline inflation, as measured by the year-on-year (Y-o-Y) change in the Colombo Consumer Price Index (CCPI, 2021=100)¹ remained in the negative territory for the fourth consecutive month, recording a deflation of 1.7% in December 2024 compared to the deflation of 2.1% in November 2024.

Non-Food deflation (Y-o-Y) moderated to 3.0% in December 2024 from 3.3% in November 2024. Meanwhile, Food inflation (Y-o-Y) showed a marginal uptick recording 0.8% in December 2024 from 0.6% November 2024.

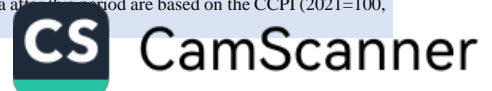
On a month-on-month basis, the CCPI recorded an increase of 1.19% in December 2024 due to the combined effect of 1.24% increase in the prices of items in the Food category and 0.06% reduction in the prices of items in the Non-Food category. Meanwhile, core inflation (Y-o-Y), which reflects the underlying inflation trends in the economy, remained unchanged at 2.7% in December 2024.

Looking ahead, headline inflation is expected to remain in the negative territory in the next few months, driven by the persistent effects of significant downward adjustments in energy prices and the reduction in volatile food prices, coupled with the considerable base effect, owing to the price increases experienced in early 2024 due to tax amendments. Nevertheless, inflation is expected to turn positive thereafter and gradually align with the targeted level of 5% over the medium term, aided by appropriate policy measures.

Inflation CCPI (2021=100)	November 2024	December 2024
Index Value	189.4	191.7
Monthly Change (%)	-0.25	1.19
Y-o-Y Inflation (%)	-2.1	-1.7

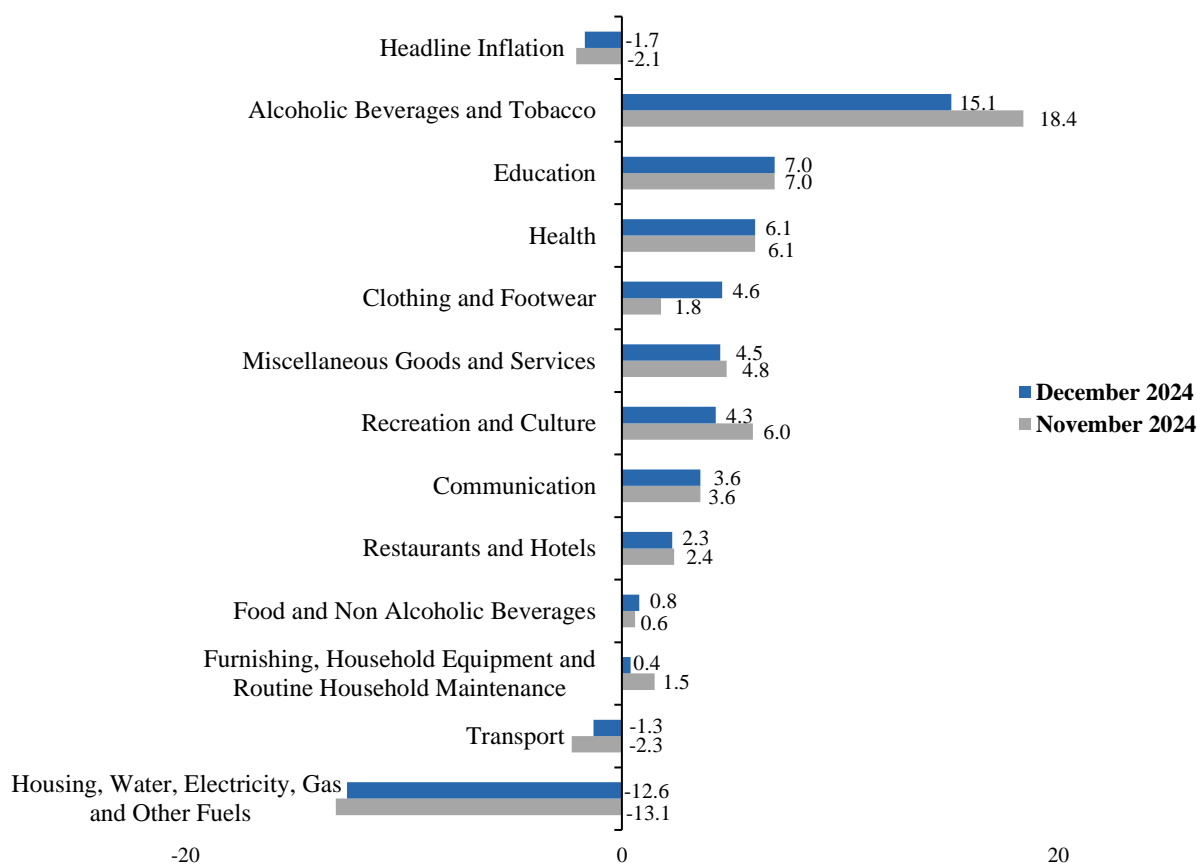


a/ The projections displayed in the fan chart reflect the available data, assumptions and judgements made at the November 2024 forecast round.
 b/ Realised data up to Q4-2022 shown in the fan chart are based on the CCPI (2013=100, seasonally adjusted), while data after this period are based on the CCPI (2021=100, seasonally adjusted). Projections are based on all available data.



¹ 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.

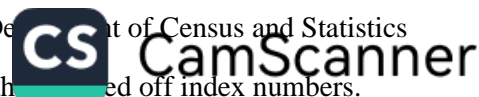
CCPI (2021=100) based Headline Inflation by Subcategory (Y-o-Y % Change)



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	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
	October	189.9	177.5	-0.5	-0.1	-0.8	3.0	2.2	2.9
	November	189.4	177.1	-0.3	-0.2	-2.1	2.7	1.7	3.1
	December	191.7	177.1	1.2	0.0	-1.7	2.7	1.2	3.3

Source: Department of Census and Statistics



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