

SAVING  
LIVES  
CHANGING  
LIVES



### Key Highlights

- Overall inflation in April increased to 33.8%, up from 21.5% in March.
- Food inflation accelerated to 45.1% in April year-on-year, up by +10.5% from March. This was driven by increased price of rice, dhal, sugar and milk powder. Non-food inflation increased to 23.9% from 14.5% in March.
- The Global Food Price Index demonstrates a small downward trend. April's decline in the FFPI was driven by a considerable decline in the vegetable oil sub-index and a modest decline in the cereal price sub-index.
- The price of imported rice has risen by 20% due to the currency depreciation. Cost of local rice varieties have increased by 6% due to the supply shortage and high cost of production.
- The price of red lentils rose to a record high, +10% compared to last month and up by +170% from the same time last year.

*\*Data source: DCS, Sri Lanka/Talking Economics*

### Changes in the Policy Environment

- Sri Lanka's national liquid petroleum gas provider (Litro Gas Lanka) increased the price of domestic gas cylinders (widely used for cooking) by 45%, from LKR 2,675 to LKR 4,860 for a 12.5kg gas cylinder, effective midnight of 26 April.
- Discussions between Sri Lanka and the IMF commenced on Monday, 18 April in Washington during which the IMF indicated that they are positive about granting an Extended Fund Facility (EFF). The EFF, if expedited could help stabilize in the short-term until the effects of long-term solutions materialize.
- The Central Bank of Sri Lanka announced on Tuesday, 12th April its decision to resort to a pre-emptive negotiated default of its foreign debt. The Governor of the Central Bank said the decision to suspend normal debt servicing was made in order to redirect scarce foreign reserves towards the purchase of essential items.



**Food inflation (NCPI) 45.1\***



**Headline inflation (NCPI) 33.8%\***

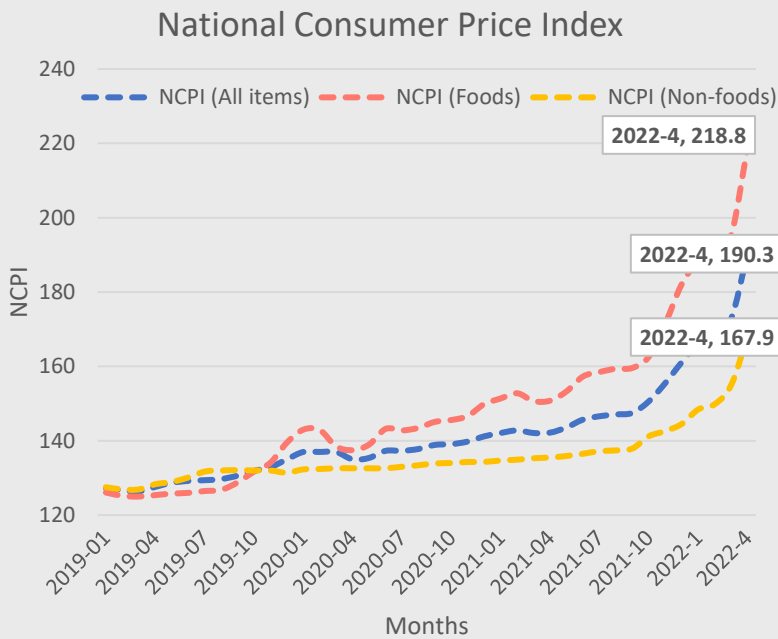


**Average food expenditure Rs. 30,889.02 (based on April 2022 food inflation rate)**

*\*Data source: DCS, Sri Lanka*



# National Consumer Price Index



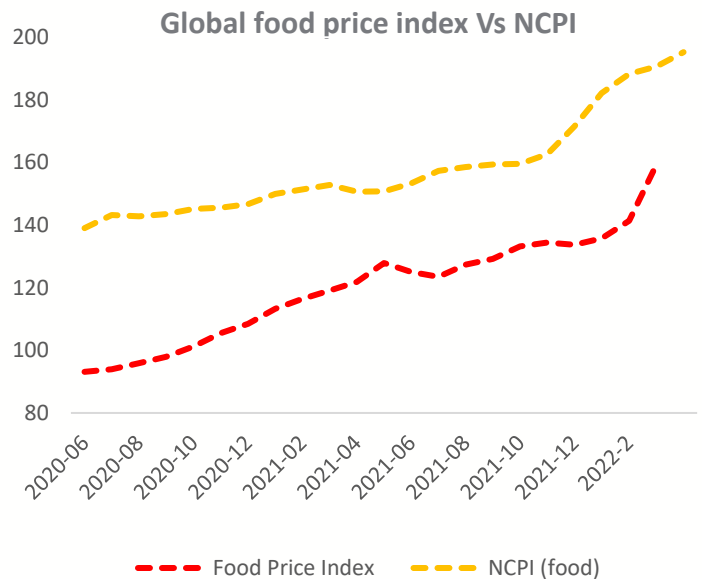
The National Consumer Price Index (NCPI) for all items was 190.3 points in April, a 33.8% increase from the same period in 2021. This is a 17.6 index point increase from the previous month (+10.2%), which represents a monthly increase in expenditure value of Rs. 5,672.59 in the market basket. The rate of food inflation in April as measured by the NCPI on year-to-year basis was 45.1%. Overall food inflation continued to increase from the previous month by +12.1%.

*\*Data source: DCS, Sri Lanka*

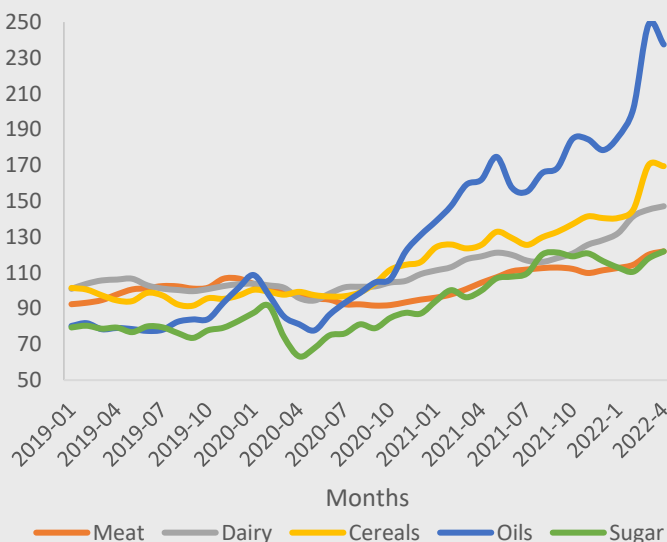
## Global Food Price Index

The FAO Food Price Index which tracks international prices of the most globally traded food commodities, FFPI averaged 158.5 points in April 2022, down 1.2 points (0.8%) from March's all-time high but still 36.4 points (29.8%) higher than the same month the previous year. April's decline in the FFPI was driven by a considerable decline in the vegetable oil sub-index and a modest decline in the cereal price sub-index. Meanwhile, the price sub-indices for sugar, meat, and dairy maintained moderate increases.

*\*Data source: FAO*



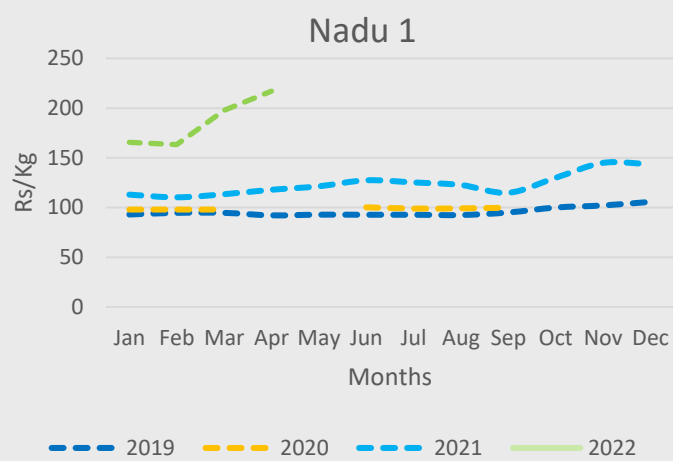
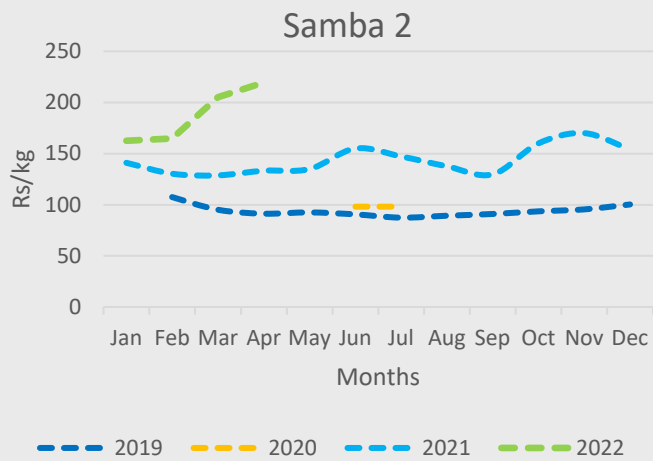
## Global Price Index on Major Food Groups



The global Vegetable Oil and Cereal Price Indices decreased, respectively, by 5% and 0.5% compared with the previous month. The decline was driven by lower world prices of palm, sunflower and soy oils, which more than offset higher rapeseed oil quotations. In April, international wheat prices increased, although marginally, by 0.2%. Price rises were mitigated by larger shipments from India, higher-than-anticipated exports from the Russian Federation, and a minor decrease in worldwide demand due to high pricing.

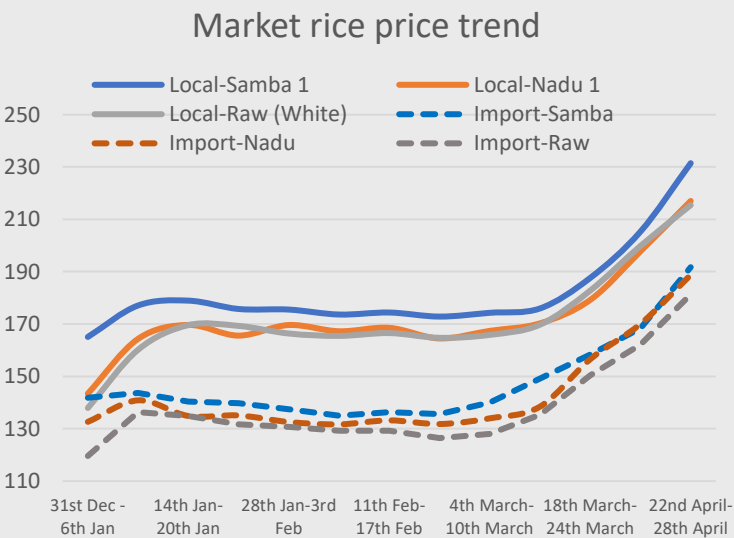
*\*Data source: FAO*

# Price trend of rice varieties



The retail price of Nadu grade I rice increased in the range of Rs. 10.00-15.00/kg with prices between Rs. 210.00-230.00/kg. Prices of all other local rice varieties have increased by Rs. 15.00-30.00/kg compared to last month. The retail price of Samba 2 increased by 7% with the price between 210.00-225.00/kg. When compared to the same month last year, the costs of all local rice varieties have climbed by 80-100%. Further limitations have been placed on the availability of paddy on the market, and short-grain prices have not fluctuated considerably in the majority of key producing regions. Long-grain white rice prices were steady in all major producing regions with the exception of Kalawewa. However, the price of long-grain red has increased by approximately Rs 4.00/kg in Hambanthota and Rs 9.00/kg in Embilipitiya, two producing regions in the Southern province.

\*Data source: HARTI, Sri Lanka



## Price trend of imported rice varieties

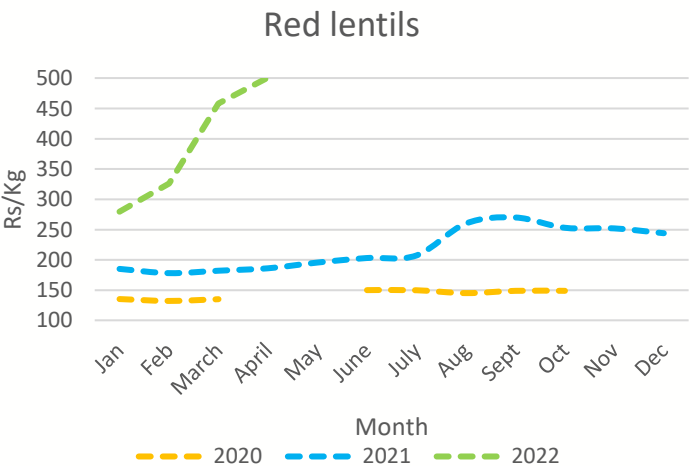
Prices for all imported rice varieties have risen by 20% to 25% since March 2022, primarily due to the depreciation of the local currency and increasing transportation costs. The most significant price increases were noted in the imported Nadu varieties. Both local rice types began to rise in early March, exhibiting a similar price increase pattern to imported varieties.

\*Data source: HARTI, Sri Lanka

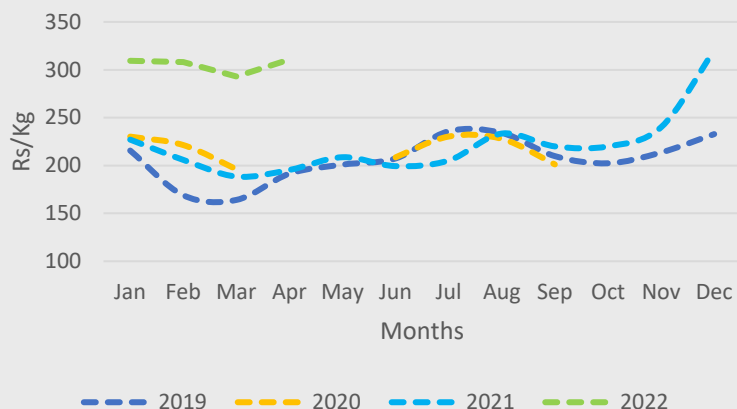
# Price trend of red lentils

The price of red lentils, for which Sri Lanka relies on imports, hit a high in April 2022, following the repeal of the minimum price in 2020. The price of lentils has increased by 170% since April 2021. Due mostly to the depreciation of the local currency, the price of red lentils climbed fast by more than 10% month-to-month.

\*Data source: DCS, Sri Lanka



## Potato - N'Eliya



## Price trend of potatoes

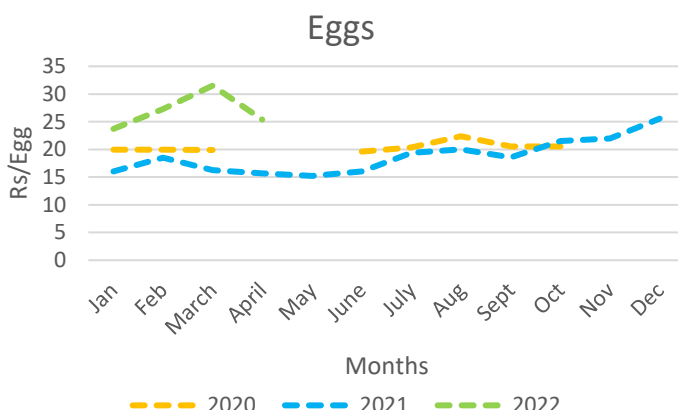
In December 2021, the price of Nuwara Eliya potatoes reached a high of Rs. 320 per kilogram. In April 2022, the price has increased by 5% month-to-month. The present prices of Nuwara Eliya and other imported potato varieties have climbed by 55% compared to the same time period last year. Considering month-to-month fluctuations, the prices of both domestic and foreign kinds have climbed marginally.

*\*Data source: HARTI, Sri Lanka*

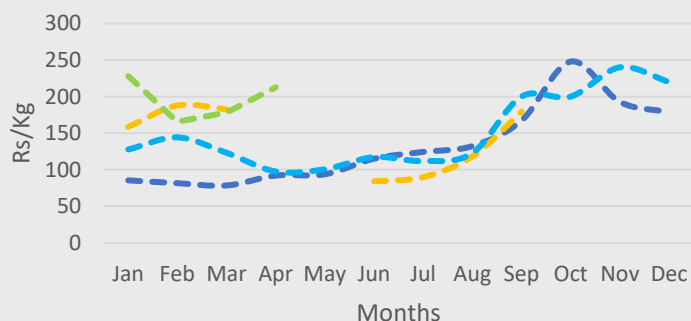
## Price trend of eggs

Due to high supply, retail prices of both brown and white eggs have reduced by Rs. 1.00/egg, in accordance with lower wholesale prices. A brown egg costs between Rs. 24.00 and Rs. 27.00, whereas a white egg costs between Rs. 23.00 and Rs. 26.00. White and brown eggs have climbed by 69% and 62%, respectively, when compared to the same period last year.

*\*Data source: HARTI, Sri Lanka*



## Big Onion



## Price trend of onions

In April, the average price of big onions increased by 8% compared to March. The current prices of sinnan (+2%), vedalan (+38%), imported red onions (+39%), and imported large onions (+8%) are all more than they were during the same time last year. Prices for vedalan and imported red onion have increased by Rs. 14.00/kg and Rs.

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