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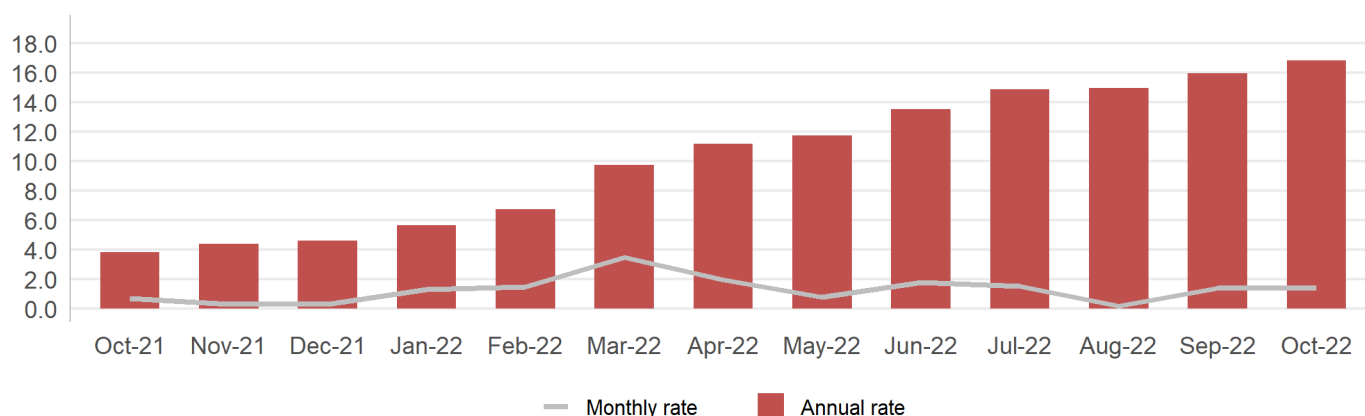
Consumer price indices

October 2022

Prices of goods and services for personal consumption, measured by consumer price index, in October 2022, as compared to September 2022, increased by 1.4% on average. Consumer prices in October 2022, as compared to October 2021, increased by 16.8% on average. This was influenced mostly by increase in prices of: milk, cheese and eggs; garments; meat; shoes and other footwear; non-durable household goods; hairdressing salons and personal grooming establishments; other appliances, articles and products for personal care; bread and cereals. Consumer prices in period January-October 2022 compared to the same period of previous year, were higher for 12.2% in average.

Observing the main groups by purpose of consumption, in October 2022 as compared to September 2022, monthly increase of prices was noticed in the following groups: Clothing and footwear (7.3%); Miscellaneous goods and services (3.8%); Education (3.1%); Furnishing, household equipment and routine household maintenance (2.6%); Food and non-alcoholic beverages (1.8%); Health (1.0%); Housing, water, electricity, gas and other fuels (0.5%); Alcoholic beverages and tobacco (0.2%); Transport (0.1%), while decrease of prices was recorded in the following groups: Restaurants and hotels (-4.7%); Recreation and culture (-0.3%).

Prices of other products and services mostly remained unchanged.

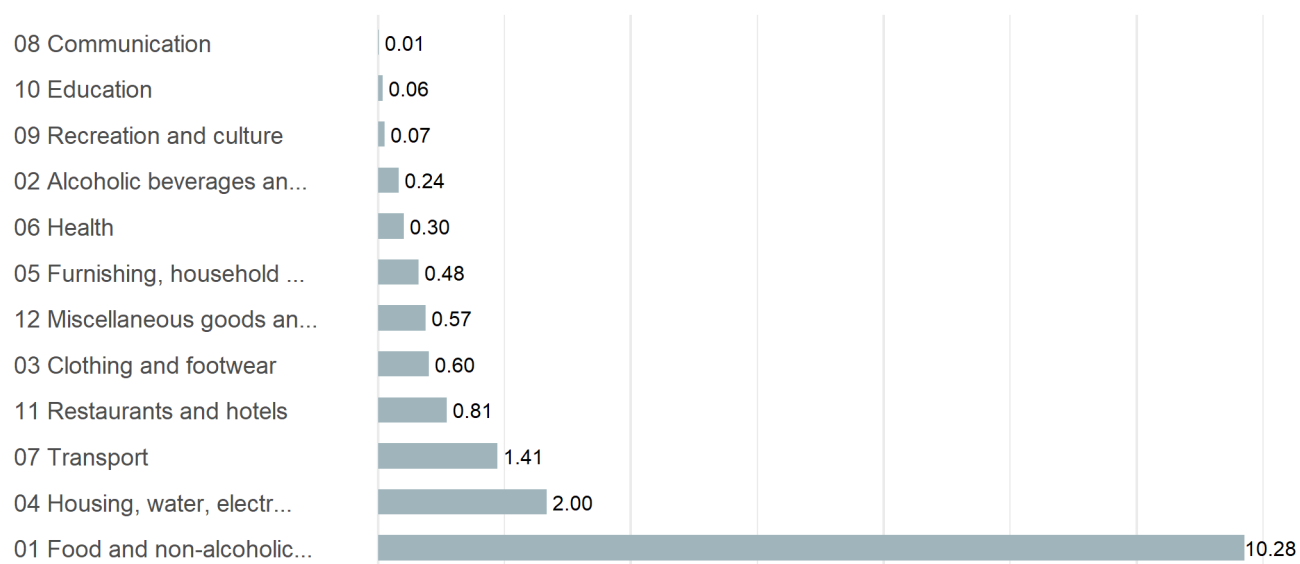**Graph 1.** Annual and monthly rates of inflation (CPI), in %

Table 1. Inflation rate measured by Consumer price indices (CPI)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
					Annual inflation rate							
2021	-0.7	-0.1	0.8	2.2	2.4	2.4	3.1	3.1	2.9	3.8	4.4	4.6
2022	5.7	6.7	9.7	11.2	11.7	13.5	14.9	15.0	16.0	16.8		
					Monthly inflation rate							
2021	0.3	0.5	0.6	0.6	0.3	0.2	0.3	0.1	0.5	0.7	0.3	0.3
2022	1.3	1.5	3.4	1.9	0.8	1.8	1.5	0.2	1.4	1.4		

Table 2. Inflation rates measured by CPI, in %[1]

	Name	Weights ‰	Oct-22 Ø 2021	Oct-22 Sep-22	Oct-22 Oct-21	Oct-22 Dec-21	Jan-Oct 2022 Jan-Oct 2021
00	Total	1 000.0	18.5	1.4	16.8	16.2	12.2
01	Food and non-alcoholic beverages	353.8	31.2	1.8	29.5	27.1	21.2
02	Alcoholic beverages and tobacco	39.8	6.2	0.2	6.0	5.8	4.5
03	Clothing and footwear	87.3	12.3	7.3	6.6	8.6	3.5
04	Housing, water, electricity, gas and other fuels	135.0	15.0	0.5	14.8	13.8	8.0
05	Furnishing, household equipment and routine household maintenance	39.0	13.8	2.6	12.2	12.9	7.1
06	Health	40.3	8.4	1.0	7.5	7.5	4.5
07	Transport	117.7	15.6	0.1	11.9	12.2	16.9
08	Communication	48.5	0.1	0.0	0.1	0.2	-0.2
09	Recreation and culture	32.3	2.6	-0.3	2.3	2.2	0.9
10	Education	18.3	3.0	3.1	3.1	3.1	0.1
11	Restaurants and hotels	46.5	17.3	-4.7	17.4	17.2	10.7
12	Miscellaneous goods and services	41.4	14.2	3.8	13.6	13.7	5.7

Chart 2. Impacts of divisions on the annual inflation rate (in percentage points), October 2022

Table 3. Groups with most important impacts on monthly inflation rate, October 2022

ECOICOP	Group	Weights ‰	Monthly inflation %	Influence in percentage points
0114	Milk, cheese and eggs	76.9	5.7	0.51
0312	Garments	48.6	9.5	0.42
0112	Meat	91.1	2.0	0.18
0321	Shoes and other footwear	37.9	4.3	0.14
0561	Non-durable household goods	14.3	6.5	0.09
1211	Hairdressing salons and personal grooming establishments	13.8	6.6	0.09
1213	Other appliances, articles and products for personal care	20.9	2.6	0.05
0111	Bread and cereals	60.1	0.7	0.05
0911	Equipment for the reception, recording and reproduction of sound and pictures	5.2	-2.8	-0.01
0115	Oils and fats	16.3	-2.3	-0.04
0116	Fruit	20.3	-2.9	-0.07
1120	Accommodation services	18.6	-10.2	-0.23

Table 4. Groups with most important impacts on annual inflation rate, October 2022

ECOICOP	Group	Weights ‰	Annual inflation %	Influence in percentage points
0114	Milk, cheese and eggs	76.9	44.7	3.36
0111	Bread and cereals	60.1	34.4	2.01
0112	Meat	91.1	20.2	1.83
0454	Solid fuels	31.8	54.7	1.69
0117	Vegetables	36.0	33.6	1.18
0722	Fuels and lubricants for personal transport equipment	64.5	12.3	0.81
0312	Garments	48.6	12.0	0.60
0116	Fruit	20.3	24.5	0.51
1120	Accommodation services	18.6	26.6	0.50
0115	Oils and fats	16.3	26.3	0.43
0118	Sugar, jam, honey, chocolate and confectionery	16.9	23.8	0.40
1111	Restaurants, cafes and the like	27.9	11.3	0.32
0561	Non-durable household goods	14.3	21.1	0.31
0914	Recording media	0.7	-0.4	0.00
0321	Shoes and other footwear	37.9	-0.3	-0.01
0443	Sewage collection	2.2	-4.8	-0.01
0913	Information processing equipment	2.8	-3.7	-0.01
0911	Equipment for the reception, recording and reproduction of sound and pictures	5.2	-5.6	-0.03
0441	Water supply	11.0	-7.5	-0.08

Table 5. Inflation rate measured by Harmonised Indices of Consumer Prices (HICP)[2]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Annual inflation rate												
2021	-0.7	-0.2	0.5	1.8	2.3	2.8	3.6	3.8	3.6	3.9	4.4	4.5
2022	5.4	6.4	8.7	10.2	10.6	11.9	13.7	13.9	14.7	15.5		
Monthly inflation rate												
2021	0.3	0.4	0.5	0.6	0.6	0.6	0.5	0.3	0.2	0.1	0.2	0.2
2022	1.2	1.3	2.8	1.9	1.0	1.7	2.1	0.4	0.8	0.8		

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[2] More detailed HICP data are available at the following link: **Data**

METHODOLOGICAL NOTES

Consumer price indices (CPI) are one of the most important macroeconomic indicators and the basis for taking decisions in the area of economy and finance. Since January 2009 they are used as official measure of inflation in Montenegro.

Consumer price index is used for harmonising wages and salaries in accordance with collective contracts, pensions, and social benefits. Also, it is used for deflating certain macroeconomic aggregates in national accounts statistics and for other purposes.

Consumer price index is defined as measure of average price change of fixed goods and services basket bought by household for the purposes of satisfying its needs.

Weights used for calculation of the consumer price index express a relative importance of selected products and services in total household consumption at the domestic territory.

The list of products and services is regularly updated in order to preserve its representative characteristics regarding structure of consumption and consumers' habits.

The influence of certain groups on inflation rate indicates how much that group has influenced on the total inflation rate. The influence depends on weights and inflation rate of given group. The weights represents a relative share of household consumption of certain groups or subgroup of products in the total consumption. Consequently, weights have an important role in the calculation of inflation rate. They represent "importance" of certain product group in the total household consumption in certain reference period.

Monthly inflation rate represents price changes in the current month as compared to the previous month, in %.

Annual inflation rate represents price changes in the current month as compared to the same month of the previous year, in %.

While the consumer price index is mostly used as a general measure of inflation in the national context, the harmonised index of consumer prices represents a comparable measure of inflation in the European Union.

The basic differences between CPI and HICP are:

Purpose: CPI is used to measure the inflation in a country, while HICP is used to measure the inflation in EU.

Coverage: CPI covers final consumption of the resident population both in the country and abroad. HICP covers final consumption of the population, both resident and non-resident in a country.

Weights: In addition to differences in the coverage, there are differences in weights. The starting point is the final consumption of population but the concepts are different. The national concept is applied for the national CPI and the domestic concept for the HICP. The main data source for the calculation of the HICP weight structure at higher aggregation levels are the data obtained from the National Accounts, while the Household Budget Survey data are used at lower aggregation levels, which also represents the main data source for the calculation of the CPI weight structure.

Classification: ECOICOP (European Classification of Individual Consumption according to Purpose) is used for both indices.

List of products and services: The same list is used for products and services.

Calculation method: Laspeyre's type of index is used for the calculation of both indices.

Data are published according Statistical Release Calendar.

When using the data, state:
"Data source: Statistical Office - MONSTAT"

More data, as well as detailed methodological notes can be found in the section: Consumer Price Index

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