



Montenegro

A DECADE  
OF INDEPENDENCE  
A MILLENNIUM  
OF STATEHOOD  
MONTENEGRO  
2016



May Montenegro live forever

**Government of Montenegro**  
**Statistical Office of Montenegro**

## **Release**

# **Consumer price index (CPI)** **March 2016**

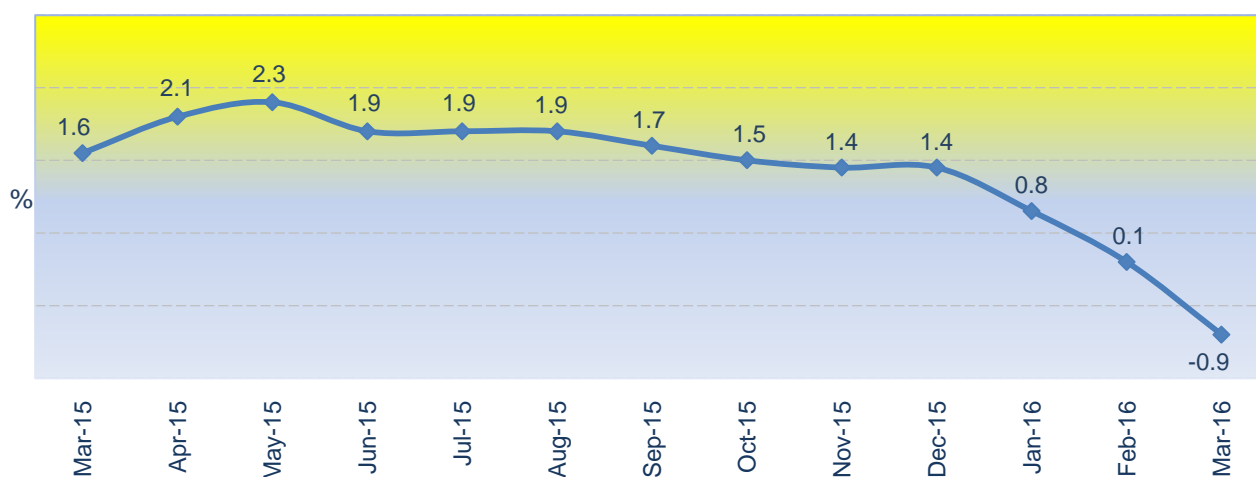
**Monthly inflation in March 2016 was -0.1%**

*Monthly inflation measured by Consumer price index was -0.1% in March 2016, while the annual inflation was -0.9%. This was influenced mostly by decrease in prices of: vegetables; meat; milk, cheese and eggs; non-durable household goods; other appliances, articles and products for personal care etc.*

*Observing the main groups monthly drop of prices was noticed in the following groups: Food and non-alcoholic beverages (-0.9%); Furnishing, household equipment and routine household maintenance (-0.6%); Miscellaneous goods and services (-0.3%); Housing, water, electricity, gas and other fuels (-0.1%); Restaurants and hotels (-0.1%), while a growth of prices was recorded in the following groups: Clothing and footwear (2.3%); Transport (0.9%); Health (0.5%); Alcoholic beverages and tobacco (0.1%). Prices of other products and services mostly remained unchanged.*

*Positive annual inflation rates in March were observed in the following groups: Restaurants and hotels (2.9%); Alcoholic beverages and tobacco (2.7%); Clothing and footwear (2.4%); Health (1.4%); Housing, water, electricity, gas and other fuels (1.1%); Furnishing, household equipment and routine household maintenance (0.8%); Communications (0.2%); Recreation and culture (0.1%); while negative annual inflation rates were observed in the following groups: Transport (-6.5%); Food and non-alcoholic beverages (-2.5%); Miscellaneous goods and services (-0.8%).*

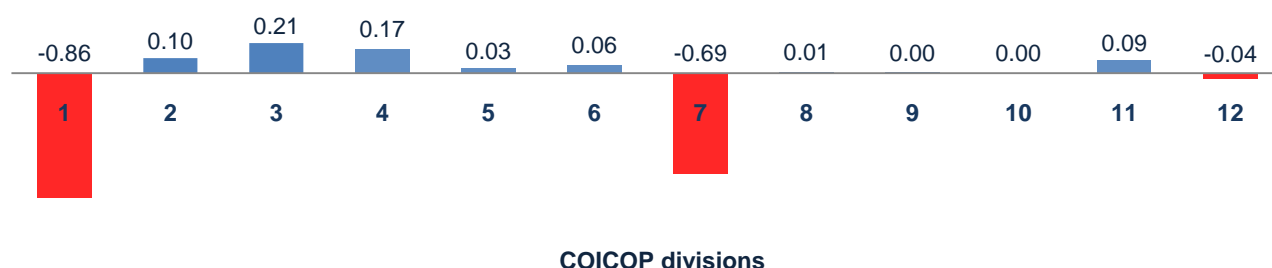
**Chart 1. Consumer price index (CPI), annual rates**



**Table 1. Inflation rates measured by CPI, in %**

	Name	Weights ‰	<u>Mar 2016</u> Ø 2015	<u>Mar 2016</u> Feb 2016	<u>Mar 2016</u> Mar 2015	<u>Jan-Mar 2016</u> Jan-Mar 2015
<b>00</b>	<b>CPI - total</b>	<b>1000.0</b>	<b>-1.2</b>	<b>-0.1</b>	<b>-0.9</b>	<b>0.0</b>
01	Food and non-alcoholic beverages	351.7	-2.2	-0.9	-2.5	-0.7
02	Alcoholic beverages and tobacco	38.6	1.0	0.1	2.7	3.1
03	Clothing and footwear	85.1	2.4	2.3	2.4	2.6
04	Housing, water, electricity, gas and other fuels	155.3	0.5	-0.1	1.1	1.1
05	Furnishing, household equipment and routine household maintenance	41.2	0.5	-0.6	0.8	1.3
06	Health	40.9	1.4	0.5	1.4	1.4
07	Transport	107.0	-6.8	0.9	-6.5	-4.6
08	Communications	49.9	0.2	0.0	0.2	0.1
09	Recreation and culture	33.2	0.2	0.0	0.1	0.2
10	Education	19.3	0.0	0.0	0.0	0.0
11	Restaurants and hotels	31.3	-1.3	-0.1	2.9	2.8
12	Miscellaneous goods and services	46.5	-0.4	-0.3	-0.8	-0.2

**Chart 2. Impacts of divisions on the annual inflation rate (in %), March 2016**



**Table 2. Groups with most important impacts on monthly inflation rate, March 2016**

COICOP/ HICP	Group	Weights ‰	Monthly inflation %	Influence in percentage points
0321	Shoes and other footwear	36.2	3.6	0.13
0722	Fuels and lubricants for personal transport equipment	47.4	2.2	0.10
0312	Garments	48.1	1.4	0.07
0116	Fruit	20.1	1.1	0.02
0611	Pharmaceutical products	24.9	0.8	0.02
<hr/>				
1111	Restaurants, cafes and the like	23.6	-0.3	-0.01
0511	Furniture and furnishings	8.4	-1.3	-0.01
0432	Services for the maintenance and repair of the dwelling	8.4	-1.3	-0.01
1213	Other appliances, articles and products for personal care	25.6	-0.5	-0.01
0561	Non-durable household goods	15.2	-1.1	-0.02
0114	Milk, cheese and eggs	75.6	-0.8	-0.06
0112	Meat	93.8	-0.7	-0.07
0117	Vegetables	35.4	-6.5	-0.23

**Table 3. Groups with most important impacts on annual inflation rate, March 2016**

COICOP/ HICP	Group	Weights ‰	Annual inflation %	Influence in percentage points
0115	Oils and fats	16.2	14.3	0.23
0454	Solid fuels	40.5	3.2	0.13
0312	Garments	48.1	2.7	0.12
0441	Water supply	11.4	8.2	0.09
0220	Tobacco	25.7	3.4	0.08
0723	Maintenance and repair of personal transport equipment	14.4	5.7	0.08
0321	Shoes and other footwear	36.2	2.1	0.07
0122	Mineral waters, soft drinks, fruit and vegetable juices	11.7	5.2	0.06
0611	Pharmaceutical products	24.9	2.2	0.05
0442	Refuse collection	3.0	16.6	0.05
1120	Accommodation services	7.7	6.0	0.05
1111	Restaurants, cafes and the like	23.6	2.0	0.04
0111	Bread and cereals	56.6	0.8	0.03
0432	Services for the maintenance and repair of the dwelling	8.4	4.1	0.03
0118	Sugar, jam, honey, chocolate and confectionery	16.8	2.0	0.03
1211	Hairdressing salons and personal grooming establishments	14.1	1.7	0.02
0443	Sewage collection	2.3	7.5	0.02
0119	Food products n.e.c.	8.1	2.1	0.02
0511	Furniture and furnishings	8.4	1.6	0.01
<hr style="border-top: 1px dashed black;"/>				
0114	Milk, cheese and eggs	75.6	0.0	-0.01
0732	Passenger transport by road	21.1	-0.7	-0.02
1213	Other appliances, articles and products for personal care	25.6	-2.4	-0.07
0451	Electricity	71.1	-2.1	-0.16
0112	Meat	93.8	-1.8	-0.18
0116	Fruit	20.1	-15.0	-0.30
0117	Vegetables	35.4	-19.5	-0.70
0722	Fuels and lubricants for personal transport equipment	47.4	-15.6	-0.75

## METODOLOGICAL 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 good and service basket bought by household for the purposes of satisfying its needs.

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

Product list is regularly revised so that its representative status related to consumption structure and consumer habits is preserved.

Data are published according Data publishing calendar as well as on our website [www.monstat.org](http://www.monstat.org)

**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. For example, if during certain month prices of bread increases for 10%. this will influence for approx. 0.5% ( $10 \cdot 5\% = 0.5\%$  - since the share of bread in the total expenses is 5%). But, if the prices of medicaments increase 12%, this will increase the inflation for 0.06% ( $12 \cdot 0.5\% = 0.06\%$  - since the share of medicaments in the total expenses 0.5%). This simple example indicates how much large influence have weights on the final number presenting the inflation.

*Release No. 64*

Podgorica, 15 April 2016

*Published and printed by Statistical Office of Montenegro - MONSTAT*

*81000 Podgorica, IV Proleterske 2, Phone (+382) 20 231 004, Fax (+382) 20 230 814*

*Release prepared by:*

**Miroslav PEJOVIĆ**

*e-mail:* [contact@monstat.org](mailto:contact@monstat.org)

When using these data please indicate the source
---