

Consumer price index (CPI) January 2014

Monthly deflation in January was -0.8%

Consumer prices in Montenegro in January 2014 compared with December of the previous year were lower for -0.8%, while consumer prices in January 2014 compared with the same month of previous year were lower for -0.4%. This was influenced mostly by the decrease in prices of: telephone and telefax equipment and telephone and telefax services; electricity; garments; shoes and other footwear, repair and hire of footwear; vegetables; bread and cereals.

When observing the main groups monthly drop of prices was noticed in the following groups: Clothing and footwear (-3.9%); Communications (-3.7%); Housing, water, electricity, gas and other fuels (-1.6%); Recreation and culture (-1.3%); Furnishing, household equipment and routine household maintenance (-0.6%); Food and non-alcoholic beverages (-0.1%), while a growth of prices is recorded in groups: Restaurants and hotels (+0.8%); Health (+0.6%); Alcoholic beverages and tobacco (+0.2%); Transport (+0.2%).

Positive annual inflation rates in January were observed in the following groups: Alcoholic beverages and tobacco (+7.9%); Miscellaneous goods and services (+2.6%); Health (+1.9%); Restaurants and hotels (+1.3%), Furnishing, household equipment and routine household maintenance (+0.8%); Education (+0.2%), while negative annual inflation rates were observed in the following groups: Communications (-4.4%); Recreation and culture (-4.0%); Transport (-1.5%); Clothing and footwear (-1.3%); Food and non-alcoholic beverages (-0.9%); Housing, water, electricity, gas and other fuels (-0.2%).

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

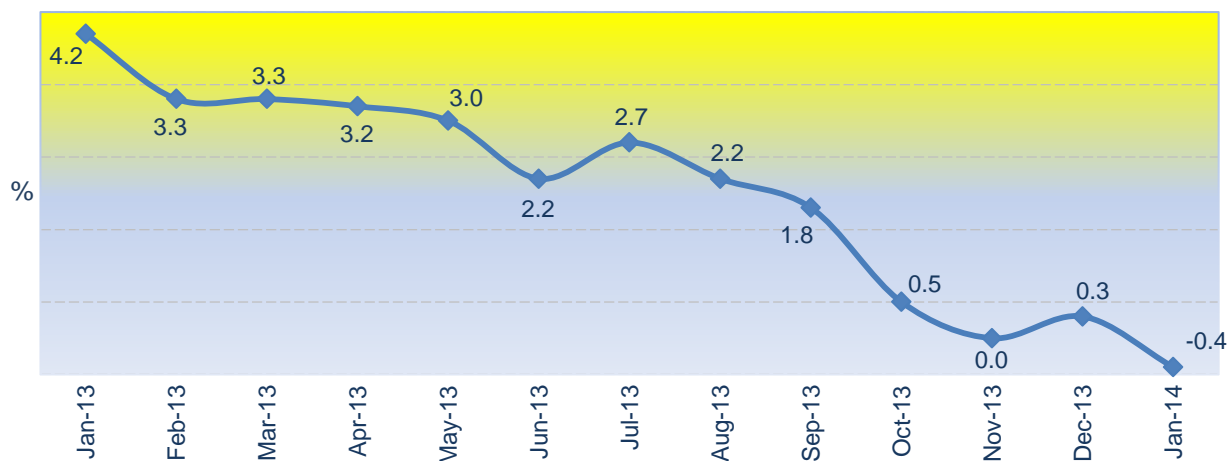


Table 1. Inflation rates measured by CPI, in %

	Name	Weights ‰	Jan 2014 Ø 2013	Jan 2014 Dec 2013	Jan 2014 Jan 2013	Jan-Dec 2013 Jan-Dec 2012
00	CPI - total	1000.0	-1.5	-0.8	-0.4	2.2
01	Food and non-alcoholic beverages	386.4	-3.0	-0.1	-0.9	4.0
02	Alcoholic beverages and tobacco	37.9	3.5	0.2	7.9	4.7
03	Clothing and footwear	70.7	-1.8	-3.9	-1.3	2.0
04	Housing, water, electricity, gas and other fuels	153.1	-0.1	-1.6	-0.2	3.4
05	Furnishing, household equipment and routine household maintenance	46.9	-0.4	-0.6	0.8	-1.6
06	Health	38.2	1.0	0.6	1.9	1.8
07	Transport	101.0	-0.5	0.2	-1.5	-1.7
08	Communications	57.1	-3.4	-3.7	-4.4	1.1
09	Recreation and culture	27.2	-3.3	-1.3	-4.0	0.1
10	Education	15.7	0.0	0.0	0.2	0.1
11	Restaurants and hotels	23.0	-0.7	0.8	1.3	-0.7
12	Miscellaneous goods and services	42.8	0.5	0.0	2.6	1.7

Chart 2. Impacts of divisions on the annual inflation rate (in %), January 2014

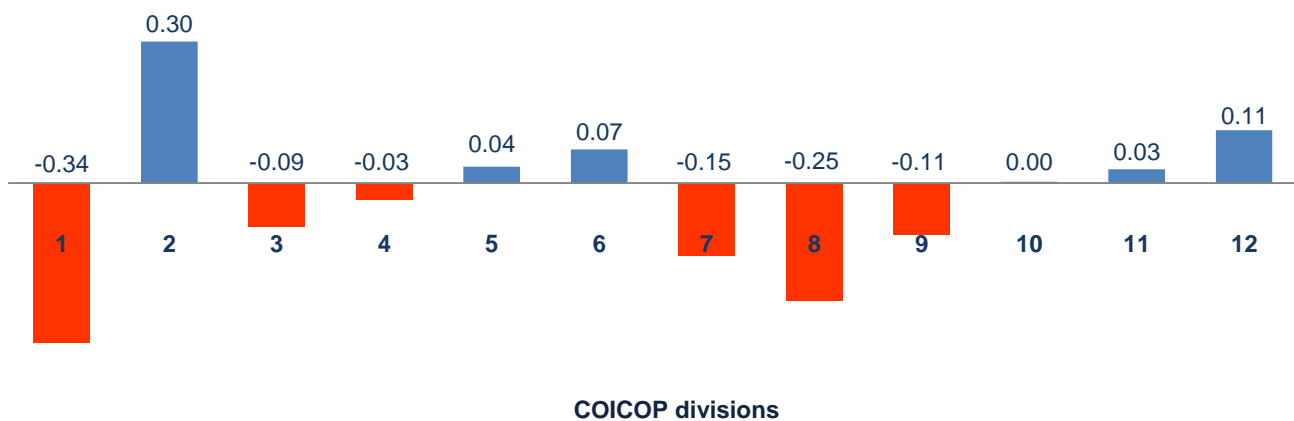


Table 2. Inflation rates presented by divisions, groups measured by CPI, in %

COICOP/ HICP	Name	Weights ‰	Jan 2014 Ø 2013	Jan 2014 Dec 2013	Jan 2014 Jan 2013	Jan-Dec 2013 Jan-Dec 2012
00	CPI – total	1000.0	-1.5	-0.8	-0.4	2.2
01	FOOD AND NON-ALCOHOLIC BEVERAGES	386.4	-3.0	-0.1	-0.9	4.0
011	Food	365.2	-3.1	-0.1	-0.8	4.0
0111	Bread and cereals	61.7	-4.9	-1.0	-5.1	-1.0
0112	Meat	104.6	0.0	0.2	0.2	1.2
0113	Fish	10.6	1.5	-0.1	5.7	2.0
0114	Milk, cheese and eggs	84.3	-2.6	-0.5	-3.3	-0.5
0115	Oils and fats	16.3	-9.2	0.9	-15.5	4.6
0116	Fruit	22.5	-7.3	5.3	5.6	11.4
0117	Vegetables	38.4	-6.9	-2.1	7.8	25.9
0118	Sugar, jam, honey, chocolate and confectionery	18.2	-2.5	-0.2	-2.5	0.3
0119	Food products n.e.c.	8.6	0.7	0.8	1.9	1.4
012	Non-alcoholic beverages	21.2	-1.1	-0.2	-1.6	2.9
0121	Coffee, tea and cocoa	8.7	-1.3	-0.1	-2.5	3.0
0122	Mineral waters, soft drinks, fruit and vegetable juices	12.5	-0.9	-0.3	-1.0	2.9
02	ALCOHOLIC BEVERAGES AND TOBACCO	37.9	3.5	0.2	7.9	4.7
021	Alcoholic beverages	12.7	1.4	0.7	3.5	3.5
0211	Spirits	6.5	0.4	0.3	1.9	3.3
0212	Wine	2.1	0.2	0.2	1.8	-3.9
0213	Beer	4.1	3.7	1.4	6.8	7.1
022	Tobacco	25.2	4.5	-0.1	10.2	5.3
0220	Tobacco	25.2	4.5	-0.1	10.2	5.3
03	CLOTHING AND FOOTWEAR	70.7	-1.8	-3.9	-1.3	2.0
031	Clothing	39.9	-4.0	-3.9	-5.9	4.0
0311	Clothing materials	0.1	0.0	0.0	0.0	-4.5
0312	Garments	39.3	-4.1	-4.0	-6.0	4.5
0313	Other articles of clothing and clothing accessories	0.3	3.8	0.4	0.2	-4.7
0314	Cleaning, repair and hire of clothing	0.2	0.0	0.0	0.0	0.0
032	Footwear	30.8	0.9	-3.9	4.8	-1.0
0321/2	Shoes and other footwear, repair and hire of footwear	30.8	0.9	-3.9	4.8	-1.0
04	Housing, water, electricity, gas and other fuels	153.1	-0.1	-1.6	-0.2	3.4
041	Actual rentals	13.2	-0.2	0.0	-1.9	0.5
0411/2	Actual rentals paid by tenants and other actual rentals	13.2	-0.2	0.0	-1.9	0.5
043	Maintenance and repair of the dwelling	11.1	0.4	-0.7	0.1	0.6
0431	Materials for the maintenance and repair of the dwelling	3.4	-1.0	-0.3	-4.6	-1.3
0432	Services for the maintenance and repair of the dwelling	7.7	1.0	-0.9	2.2	1.2

Table 2. Inflation rates presented by divisions, groups measured by CPI, in %*/continued/*

COICOP /HICP	Name	Weights ‰	Jan 2014 Ø 2013	Jan 2014 Dec 2013	Jan 2014 Jan 2013	Jan-Dec 2013 Jan-Dec 2012
044	Water supply and miscellaneous services relating to the dwelling	16.8	0.0	0.0	0.0	0.0
0441	Water supply	12.4	0.0	0.0	0.0	0.0
0442	Refuse collection	3.6	0.0	0.0	0.0	0.0
0443	Sewerage collection	0.8	0.0	0.0	0.0	0.0
045	Electricity, gas, and other fuels	112.0	-0.1	-2.1	-0.1	4.6
0451	Electricity	71.6	-0.9	-3.3	1.1	7.5
0452	Gas	0.4	1.5	0.0	1.5	1.2
0454	Solid fuels	40.0	1.2	0.1	-2.5	-1.0
05	Furnishing, household equipment and routine household maintenance	46.9	-0.4	-0.6	0.8	-1.6
051	Furniture and furnishings, carpets and other floor coverings	10.9	-1.9	-1.2	-0.3	-6.2
0511	Furniture and furnishings	9.5	-1.9	-1.2	0.2	-6.4
0512	Carpets and other floor coverings	1.4	-1.7	-0.8	-3.3	-3.6
052	Household textiles	3.6	-9.9	-5.9	-16.1	-7.8
0520	Household textiles	3.6	-9.9	-5.9	-16.1	-7.8
053	Household appliances	9.0	-0.7	0.0	-1.2	-0.2
0531/2	Major household appliances whether electric or not and small electric household appliances	8.5	-0.7	0.0	-1.3	-0.2
0533	Repair of household appliances	0.5	0.0	0.0	0.0	0.0
054	Glassware, tableware and household utensils	2.4	-0.6	-0.1	-1.1	-1.3
0540	Glassware, tableware and household utensils	2.4	-0.6	-0.1	-1.1	-1.3
055	Tools and equipment for house and garden	1.9	-0.1	-0.1	-0.3	0.4
0551/2	Major tools and equipment and small tools and miscellaneous accessories	1.9	-0.1	-0.1	-0.3	0.4
056	Goods and services for routine household maintenance	19.1	2.4	0.1	5.8	1.6
0561	Non-durable household goods	17.2	2.9	0.2	7.2	2.2
0562	Domestic services and household services	1.9	-2.6	0.0	-6.1	-3.5
06	HEALTH	38.2	1.0	0.6	1.9	1.8
061	Medical products, appliances and equipment	24.7	1.6	1.0	2.9	2.7
0611	Pharmaceutical products	23.8	1.7	1.1	3.2	2.9
0612/3	Other medical products and therapeutic appliances and equipment	0.9	-1.9	-1.0	-4.0	-2.1
062	Out-patient services	13.5	0.0	0.0	0.0	0.0
0621/3	Medical services and paramedical services	6.5	0.0	0.0	0.0	0.0
0622	Dental services	7.0	0.0	0.0	0.0	0.0

Table 2. Inflation rates presented by divisions, groups measured by CPI, in %*/continued/*

COICOP/ HICP	Name	Weights ‰	Jan 2014 Ø 2013	Jan 2014 Dec 2013	Jan 2014 Jan 2013	Jan-Dec 2013 Jan-Dec 2012
07	TRANSPORT	101.0	-0.5	0.2	-1.5	-1.7
071	Purchase of vehicles	6.8	0.0	0.0	1.6	0.7
0711	Motor cars	6.7	0.0	0.0	1.7	0.9
0712/3/4	Motor cycles, bicycles and animal drawn vehicles	0.1	-2.8	0.0	-5.2	-6.0
072	Operation of personal transport equipment	72.0	-0.7	0.2	-2.4	-2.4
0721	Spare parts and accessories for personal transport equipment	7.6	-1.3	0.1	-3.7	-0.2
0722	Fuels and lubricants for personal transport	51.0	-0.5	0.3	-2.1	-3.1
0723	Maintenance and repair of personal transport	11.7	-1.1	0.0	-3.5	-0.2
0724	Other services in respect of personal transport equipment	1.7	-0.6	0.0	-2.0	-1.4
073	Transport services	22.2	0.0	0.0	0.3	-0.9
0731	Passenger transport by railway	1.0	0.0	0.0	0.0	0.0
0732	Passenger transport by road	18.9	0.2	0.0	0.6	-0.9
0733	Passenger transport by air	2.3	-1.0	0.0	-2.1	-1.0
08	COMMUNICATIONS	57.1	-3.4	-3.7	-4.4	1.1
081	Postal services	0.3	0.0	0.0	0.0	0.0
0810	Postal services	0.3	0.0	0.0	0.0	0.0
08.x	Telephone and telefax equipment and telephone and telefax services	56.8	-3.4	-3.7	-4.4	1.2
082/30	Telephone and telefax equipment and telephone and telefax services	56.8	-3.4	-3.7	-4.4	1.2
09	RECREATION AND CULTURE	27.2	-3.3	-1.3	-4.0	0.1
091	Audio-visual, photographic and information processing equipment	5.8	-1.1	-0.4	0.9	-2.5
0911	Equipment for the reception, recording and reproduction of sound and pictures	3.6	-1.0	-0.3	2.6	-2.1
0912	Photographic and cinematographic equipment and optical instruments	0.3	-6.2	-3.2	-5.8	-4.0
0913	Information processing equipment	1.2	-1.0	-0.4	-2.1	-4.8
0914	Recording media	0.4	0.4	0.0	0.7	-0.4
0915	Repair of audio-visual, photographic and information processing equipment	0.3	-0.5	0.0	0.0	0.5
092	Other major durables for recreation and culture	0.3	-4.5	-1.0	-10.7	-6.4
0921/2	Major durables for outdoor recreation and musical instruments and major durables for indoor recreation	0.3	-4.5	-1.0	-10.7	-6.4
093	Other recreational items and equipment, gardens and pets	2.1	0.1	-1.7	-1.5	-4.1
0931	Games, toys and hobbies	0.2	-3.8	-2.6	-6.2	-2.4
0932	Equipment for sport, camping and open-air recreation	0.7	0.1	-4.2	-5.3	-13.2
0933	Gardens, plants and flowers	0.7	0.5	0.0	1.4	0.8
0934	Pets and other products and services for pets	0.5	1.2	0.0	1.2	1.1

Table 2. Inflation rates presented by divisions, groups measured by CPI, in %*/continued/*

COICO P/HICP	Name	Weights ‰	Jan 2014 Ø 2013	Jan 2014 Dec 2013	Jan 2014 Jan 2013	Jan-Dec 2013 Jan-Dec 2012
094	Recreational and cultural services	3.9	-6.7	-7.2	-6.0	4.4
0941	Recreational and sporting services	0.4	0.0	0.0	0.0	0.0
0942	Cultural services	3.5	-7.4	-8.1	-6.7	5.1
095	Newspapers, books and stationery	15.1	-3.8	0.0	-5.7	1.6
0951	Books	5.5	-10.4	0.0	-16.6	-5.2
0952	Newspapers and periodicals	7.7	-0.3	0.0	0.0	6.3
0953/4	Miscellaneous printed matter and stationery and drawing materials	1.9	1.4	0.0	2.6	0.9
10	EDUCATION	15.7	0.0	0.0	0.2	0.1
10x	Pre-primary and primary, secondary tertiary and education not definable by level	15.7	0.0	0.0	0.2	0.1
10x0	Pre-primary and primary, secondary, tertiary and education not definable by level	15.7	0.0	0.0	0.2	0.1
11	RESTAURANTS AND HOTELS	23.0	-0.7	0.8	1.3	-0.7
111	Catering services	17.3	-0.1	0.2	-0.6	0.2
1111	Restaurants, cafés and the like	17.3	-0.1	0.2	-0.6	0.2
112	Accommodation services	5.7	-2.3	3.0	5.9	-3.3
1120	Accommodation services	5.7	-2.3	3.0	5.9	-3.3
12	MISCELLANEOUS GOODS AND SERVICES	42.8	0.5	0.0	2.6	1.7
121	Personal care	37.0	0.7	0.0	3.2	2.4
1211	Hairdressing salons and personal grooming establishments	12.9	-2.1	0.0	-1.1	1.2
1212/3	Electric appliances for personal care and other appliances, articles and products for personal care	24.1	2.3	0.0	5.6	2.9
123	Personal effects n.e.c.	2.3	-2.7	-1.4	-4.3	-6.2
1231	Jewellery, clocks and watches	0.7	-0.5	0.0	-2.9	-2.8
1232	Other personal effects	1.6	-3.6	-1.9	-4.9	-8.3
124	Social protection	1.6	1.0	0.0	2.5	1.5
1240	Social protection	1.6	1.0	0.0	2.5	1.5
125	Insurance	0.6	0.0	0.0	0.0	0.0
1252	Insurance connected with dwelling	0.2	0.0	0.0	0.0	0.0
1254	Insurance connected with transport	0.4	0.0	0.0	0.0	0.0
126	Financial services n.e.c.	1.1	0.0	0.0	0.0	0.3
1262	Other financial services n.e.c.	1.1	0.0	0.0	0.0	0.3
127	Other services n.e.c	0.2	-1.7	0.0	-6.6	-5.1
1270	Other services n.e.c.	0.2	-1.7	0.0	-6.6	-5.1

Table 3. Groups with most important impacts on monthly inflation rate, Jan 2014

COICOP/ HICP	Group	Weights ‰	Monthly inflation %	Influence in percentage points
0116	Fruit	22.5	5.3	0.12
0611	Pharmaceutical products	23.8	1.1	0.03
0112	Meat	104.6	0.2	0.02
1120	Accommodation services	5.7	3.0	0.02
0722	Fuels and lubricants for personal transport equipment	51.0	0.3	0.01
0115	Oils and fats	16.3	0.9	0.01
0119	Food products n.e.c.	8.6	0.8	0.01
0213	Beer	4.1	1.4	0.01
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0942	Cultural services	3.5	-8.1	-0.03
0114	Milk, cheese and eggs	84.3	-0.5	-0.04
0111	Bread and cereals	61.7	-1.0	-0.06
0117	Vegetables	38.4	-2.1	-0.08
0321/2	Shoes and other footwear, repair and hire of footwear	30.8	-3.9	-0.12
0312	Garments	39.3	-4.0	-0.16
082/30	Telephone and telefax equipment and telephone and telefax services	56.8	-3.7	-0.21
0451	Electricity	71.6	-3.3	-0.24

Table 4. Groups with most important impacts on annual inflation rate, Jan 2014

COICOP/ HICP	Group	Weights ‰	Annual inflation %	Influence in percentage points
0117	Vegetables	38.4	7.8	0.24
0220	Tobacco	25.2	10.2	0.20
0321/2	Shoes and other footwear, repair and hire of footwear	30.8	4.8	0.12
1212/3	Electric appliances for personal care and other appliances, articles and products for personal care	24.1	5.6	0.11
0116	Fruit	22.5	5.6	0.10
0561	Non-durable household goods	17.2	7.2	0.10
0451	Electricity	71.6	1.1	0.06
0611	Pharmaceutical products	23.8	3.2	0.06
0113	Fish	10.6	5.7	0.05
1120	Accommodation services	5.7	5.9	0.03
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0454	Solid fuels	40.0	-2.5	-0.08
0722	Fuels and lubricants for personal transport equipment	51.0	-2.1	-0.08
0312	Garments	39.3	-6.0	-0.18
082/30	Telephone and telefax equipment and telephone and telefax services	56.8	-4.4	-0.20
0115	Oils and fats	16.3	-15.5	-0.20
0114	Milk, cheese and eggs	84.3	-3.3	-0.22
0111	Bread and cereals	61.7	-5.1	-0.25

METHODOLOGICAL NOTES

Consumer price indices (CPI) are the most important short-term 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.

The data are published on 15th in a month for the previous month on our website 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% ($10 \times 5\% = 0.5\%$ - 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% ($12 \times 0.5\% = 0.06\%$ - 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.

Issued and printed by Statistical Office of Montenegro (MONSTAT)
81000 Podgorica, IV Proleterske 2, Phone (+382) 20 230-811, Fax (+382) 20 230-814

The release prepared by:

Miroslav PEJOVIĆ

Tel. +382-20-230 805

contact@monstat.org