

Harmonised Index of Consumer Prices (HICP) March 2015

Monthly inflation in March was 1.0%

Monthly inflation measured by Harmonised Index of Consumer Prices was 1.0% in March 2015. This was influenced mostly by increase in prices of: fuels and lubricants for personal transport; vegetables; fruit; garments; shoes; meat etc.

Observing the main groups, monthly growth of prices was noticed in the following groups: Clothing and footwear (3.1%); Transport (2.9%); Food and non-alcoholic beverages (1.4%); Alcoholic beverages and tobacco (0.9%); Recreation and culture (0.7%); Health (0.5%); Furnishing, household equipment and routine household maintenance (0.4%); Miscellaneous goods and services (0.4%); Housing, water, electricity, gas and other fuels (0.2%), while a monthly drop of prices was recorded in group: Restaurants and hotels (-0.4%).

European Union annual inflation was -0.1% in March 2015, up from -0.3 in February, while Euro area annual inflation was -0.1%, up from -0.3% in February. In Montenegro, in March 2015, consumer prices measured by the HICP, compared with the same month of the previous year were higher for 0.9%.

Positive annual inflation rates in March were observed in the following groups: Clothing and footwear (5.7%); Food and non-alcoholic beverages (3.6%); Health (2.6%); Recreation and culture (2.2%); Alcoholic beverages and tobacco (2.1%); Housing, water, electricity, gas and other fuels (1.7%); Miscellaneous goods and services (1.0%); Communications (0.1%), while negative annual inflation rates were observed in the following groups: Transport (-5.6%); Restaurants and Hotels (-0.6%); Furnishing, household equipment and routine household maintenance (-0.5%).

**Chart 1. Harmonised index of consumer prices (HICP),
annual rates**

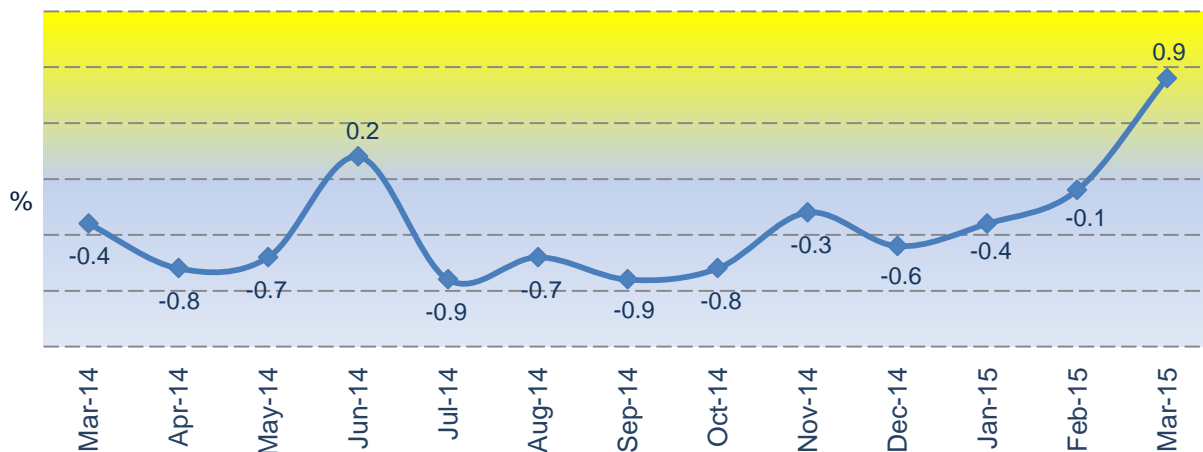
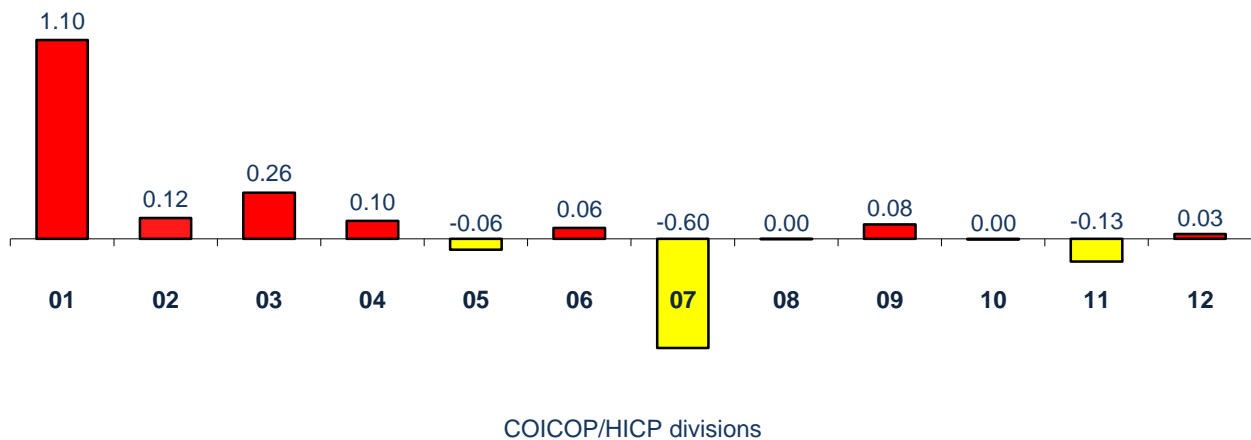


Table 1. Inflation rates measured by Harmonised Index of Consumer Prices, in %

	Name	Weights ‰	Mar 2015 Ø 2010	Mar 2015 Feb 2015	Mar 2015 Mar 2014	Mar 2015 Dec 2014
00	HICP - total	1000.0	9.5	1.0	0.9	1.1
01	Food and non-alcoholic beverages	319.9	17.5	1.4	3.6	3.2
02	Alcoholic beverages and tobacco	61.7	38.7	0.9	2.1	0.9
03	Clothing and footwear	46.8	7.0	3.1	5.7	-0.1
04	Housing, water, electricity, gas and other fuels	63.4	14.2	0.2	1.7	0.2
05	Furnishing, household equipment and routine household maintenance	90.3	-3.3	0.4	-0.5	0.4
06	Health	24.4	20.6	0.5	2.6	0.9
07	Transport	104.2	1.5	2.9	-5.6	-0.4
08	Communications	49.9	1.4	0.0	0.1	0.0
09	Recreation and culture	38.8	-1.7	0.7	2.2	0.7
10	Education	14.1	-0.3	0.0	0.0	0.0
11	Restaurants and hotels	154.6	5.8	-0.4	-0.6	-0.6
12	Miscellaneous goods and services	31.9	2.3	0.4	1.0	1.1
Special aggregates						
	Products	712.1	10.8	1.4	1.2	1.6
	Services	287.9	5.4	0.0	0.3	-0.2
	HICP - excluding food, alcoholic beverages and tobacco	646.3	4.1	0.7	-0.5	0.0
	Energy	95.2	7.5	2.8	-6.5	-0.7
	Administrative inflation ¹	63.4	19.7	0.0	5.8	0.0

Chart 2. Impacts of divisions on the annual inflation rate (in %), March 2015



¹ Inflation which measures trend of administratively established prices, and the following prices are covered under this: bread, electricity, water supply, sewerage collection, refuse collection, public pre-primary institutions, obligatory insurance of vehicles, and issuing of administrative documents, such as birth certificate.

Table 2. Sub-group with most important impacts on monthly inflation rate, March 2015

COICOP/ HICP	Subgroup	Weights ‰	Monthly inflation %	Influence in percentage points
0722	Fuels and lubricants for personal transport equipment	48.2	5.7	0.28
0117	Vegetables	39.5	5.8	0.23
0116	Fruit	18.2	9.8	0.18
0312	Garments	25.5	3.3	0.08
0321/2	Shoes and other footwear, repair and hire of footwear	20.8	2.9	0.06
0112	Meat	76.8	0.7	0.06
0213	Beer	15.0	2.7	0.04
0122	Mineral waters, soft drinks, fruit and vegetable juices	15.8	1.7	0.03
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0121	Coffee, tea and cocoa	12.1	-2.6	-0.03
1120	Accommodation services	49.8	-1.3	-0.06
0114	Milk, cheese and eggs	66.8	-1.0	-0.07

Table 3. Sub-group with most important impacts on annual inflation rate, March 2015

COICOP/ HICP	Subgroup	Weights ‰	Annual inflation %	Influence in percentage points
0117	Vegetables	39.5	15.4	0.60
0111	Bread and cereals	49.2	6.5	0.31
0312	Garments	25.5	5.6	0.14
0321/2	Shoes and other footwear, repair and hire of footwear	20.8	6.0	0.12
0213	Beer	15.0	6.5	0.09
0411/2	Actual rentals paid by tenants and other actual rentals	6.5	10.8	0.07
0112	Meat	76.8	1.1	0.06
0116	Fruit	18.2	3.5	0.06
0732	Passenger transport by road	13.8	3.4	0.04
0951	Books	4.0	9.8	0.04
0611	Pharmaceutical products	15.5	2.5	0.04
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0511	Furniture and furnishings	17.2	-0.4	-0.01
0531/2	Major household appliances whether electric or not and small electric household appliances	16.2	-0.7	-0.02
0561	Non-durable household goods	36.6	-0.2	-0.02
0520	Household textiles	5.2	-5.0	-0.03
0121	Coffee, tea and cocoa	12.1	-2.4	-0.03
1111	Restaurants, cafés and the like	104.8	-0.1	-0.03
1120	Accommodation services	49.8	-1.8	-0.10
0722	Fuels and lubricants for personal transport equipment	48.2	-12.5	-0.61

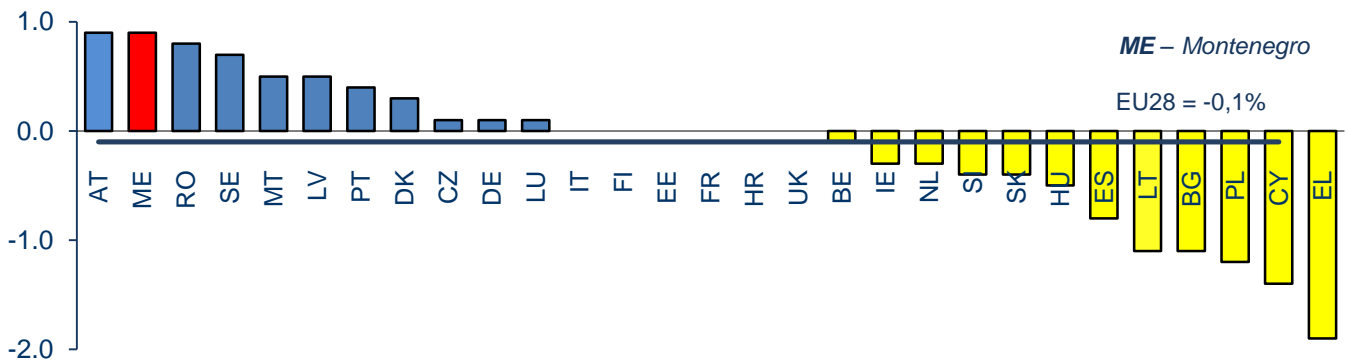
Table 4. Inflation rates in the EU measured by HICP, in %

	<u>Mar-14</u> Mar-13	<u>Oct-14</u> Oct-13	<u>Nov-14</u> Nov-13	<u>Dec-14</u> Dec-13	<u>Jan-15</u> Jan-14	<u>Feb-15</u> Feb-14	<u>Mar-15</u> Mar-14	<u>Mar-15</u> Feb-15
Euro area	0.5	0.4	0.3	-0.2	-0.6	-0.3	-0.1p	1.1p
European union	0.6	0.5	0.3	-0.1	-0.5	-0.3r	-0.1p	0.9p
Belgium (BE)	0.9	0.3	0.1	-0.4	-0.6	-0.4	-0.1	0.3
Bulgaria (BG)	-2.0	-1.5	-1.9	-2.0	-2.4	-1.7	-1.1	0.3
Czech Republic (CZ)	0.3	0.7	0.6	0.1	-0.1	-0.1	0.1	0.2
Denmark (DK)	0.2	0.3	0.2	0.1	-0.3	0.0	0.3	0.5
Germany (DE)	0.9	0.7	0.5	0.1	-0.5	-0.1	0.1	0.5
Estonia (EE)	0.7	0.5	0.0	0.1	-0.5	-0.2	0.0	0.7
Ireland (IE)	0.3	0.4	0.2	-0.3	-0.4	-0.4	-0.3	0.6
Greece (EL)	-1.5	-1.8	-1.2	-2.5	-2.8	-1.9	-1.9	1.9
Spain (ES)	-0.2	-0.2	-0.5	-1.1	-1.5	-1.2	-0.8	2.0
France (FR)	0.7	0.5	0.4	0.1	-0.4	-0.3	0.0	0.7
Croatia (HR)	-0.1	0.5	0.3	-0.1	-0.6	-0.4	0.0	0.8
Italy (IT)	0.3	0.2	0.3	-0.1	-0.5	0.1	0.0	2.1
Cyprus (CY)	-0.9	0.3	0.0	-1.0	-0.7	-0.8	-1.4	0.7
Latvia (LV)	0.3	0.7	0.9	0.3	-0.3	0.0	0.5	0.8
Lithuania (LT)	0.4	0.3	0.4	-0.1	-1.4	-1.5	-1.1	0.8
Luxembourg (LU)	0.8	0.4	0.2	-0.9	-1.1	-0.3	0.1	0.4
Hungary (HU)	0.2	-0.3	0.1	-0.8	-1.4	-1.0	-0.5	0.6
Malta (MT)	1.4	0.7	0.6	0.4	0.8	0.6	0.5	0.9
Netherlands (NL)	0.1	0.4	0.3	-0.1	-0.7	-0.5	-0.3	1.3
Austria (AT)	1.4	1.4	1.5	0.8	0.5	0.5	0.9p	1.4p
Poland (PL)	0.6	-0.3	-0.3	-0.6	-1.0	-1.3	-1.2	0.2
Portugal (PT)	-0.4	0.1	0.1	-0.3	-0.4	-0.1	0.4	1.9
Romania (RO)	1.3	1.8	1.5	1.0	0.5	0.4	0.8	0.5
Slovenia (SI)	0.6	0.1	0.1	-0.1	-0.7	-0.5	-0.4	0.9
Slovakia (SK)	-0.2	0.0	0.0	-0.1	-0.5	-0.6	-0.4	0.2
Finland (FI)	1.3	1.2	1.1	0.6	-0.1	-0.1	0.0	0.4
Sweden (SE)	-0.4	0.3	0.3	0.3	0.4	0.7	0.7	0.1
United Kingdom (UK)	1.6	1.3	1.0	0.5	0.3	0.0	0.0	0.2

Source: EUROSTAT

p = current data; * = revised data; ... = data not available

Chart 3. Annual inflation rate measured by HICP, March 2015



Euro area annual inflation was -0.1% in March 2015, up from -0.2% in February while European Union annual inflation was -0.1% in March 2015, up from -0.3% in February.

Harmonised Index of Consumer Prices (HICP) is the basis for comparative measurement of inflation in the European Union, and it estimates a monetary value in the Eurozone. As a difference to Consumer Index Index Price (CPI), it uses different methodological concept which is used by all EU members.

Mar 2015 month of the current year
Ø 2010 average of base year

This rate indicates a change in average prices in current month when compared with average prices in the base year.

Mar 2015 month of the current year
Feb 2015 previous month of the current year

Monthly inflation rate (current month compared with previous month) measures a change of average prices of current months compared with average prices of previous month. Monthly inflation rate can be under the influence of seasonal effects.

Mar 2015 month of the current year
Mar 2014 the same month of previous year

Annual inflation rate (month of the current year compared with the same month of previous year) measures a change in average prices in current month compared with average prices in the same month of previous year. In the presence of a stable seasonal pattern, seasonal effects do not influence this measure.

Mar 2015 month of the current year
Dec 2014 December of the previous year

This rate indicates a change in average prices in current month compared with average prices in December of the previous year. In December this rate equal the annual inflation rate.

The influence of certain subgroups on inflation rate indicates how much that subgroup has influenced on the total inflation rate. The influence depends on weights and inflation rate of given subgroup. 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 percentage points ($10 \times 5\% = 0.5$ percentage points - 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 percentage points ($12 \times 0.5\% = 0.06$ percentage points - 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. Summing up the influence in percentage points of all subgroups the final result should equal the all-items index rate of change in percentage.

Monthly HICP releases published by Eurostat can be found at the following website:

http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/publications/news_releases

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