

Harmonised Index of Consumer Prices (HICP) September 2015

Monthly deflation in September 2015 was -0,3%

Consumer prices in Montenegro, measured by HICP, in September 2015 decreased by 0,3% at the average as compared to August 2015. Consumer prices in September 2015 increased by 2,3%, as compared to September 2014. Growth rate of consumer prices in period January-September 2015 compared with the same period of previous year was 1.3%.

Observing the main groups, monthly drop of prices was noticed in the following groups: Restaurants and hotels (-3.0%); Transport (-1.2%), while a monthly growth of prices was recorded in groups: Clothing and footwear (4.8%); Food and non-alcoholic beverages (0.4%); Miscellaneous goods and services (0.2%); Housing, water, electricity, gas and other fuels (0.1%); Furnishing, household equipment and routine household maintenance (0.1%).

Positive annual inflation rates in September were observed in the following groups: Restaurants and Hotels (7.8%); Food and non-alcoholic beverages (3.3%); Alcoholic beverages and tobacco (3.2%); Clothing and footwear (3.1%); Health (2.2%); Housing, water, electricity, gas and other fuels (1.4%); Recreation and culture (1.3%); Furnishing, household equipment and routine household maintenance (0.6%); Miscellaneous goods and services (0.1%), while negative annual inflation rates were observed in groups: Transport (-4.5%); Communications (-0.1%).

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

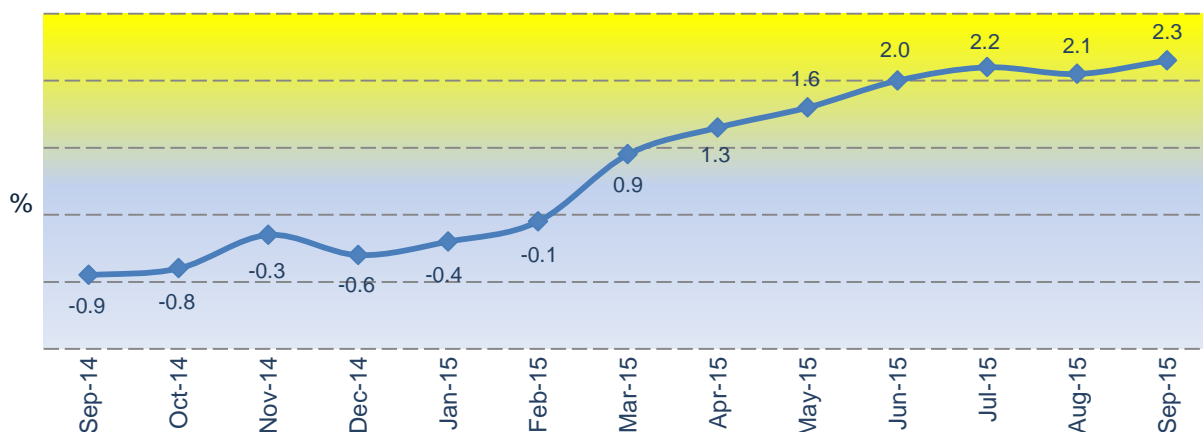
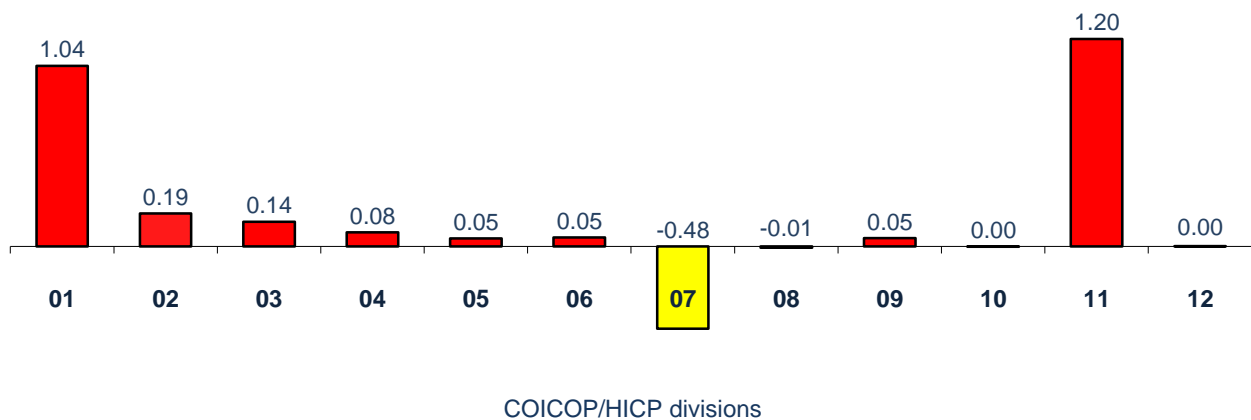


Table 1. Inflation rates measured by Harmonised Index of Consumer Prices, in %

	Name	Weights ‰	Sep 2015 Ø 2010	Sep 2015 Aug 2015	Sep 2015 Sep 2014	Sep 2015 Dec 2014
00	HICP - total	1000.0	11.9	-0.3	2.3	3.2
01	Food and non-alcoholic beverages	319.9	18.2	0.4	3.3	3.8
02	Alcoholic beverages and tobacco	61.7	41.8	0.0	3.2	3.2
03	Clothing and footwear	46.8	7.0	4.8	3.1	-0.1
04	Housing, water, electricity, gas and other fuels	63.4	15.1	0.1	1.4	1.0
05	Furnishing, household equipment and routine household maintenance	90.3	-2.6	0.1	0.6	1.1
06	Health	24.4	20.4	0.0	2.2	0.8
07	Transport	104.2	2.2	-1.2	-4.5	0.3
08	Communications	49.9	1.2	0.0	-0.1	-0.1
09	Recreation and culture	38.8	-1.3	0.0	1.3	1.1
10	Education	14.1	-0.3	0.0	0.0	0.0
11	Restaurants and hotels	154.6	17.1	-3.0	7.8	10.1
12	Miscellaneous goods and services	31.9	1.9	0.2	0.1	0.7
Special aggregates						
	Products	712.1	11.4	0.3	1.3	2.1
	Services	287.9	11.8	-1.6	4.9	5.9
	HICP - excluding food, alcoholic beverages and tobacco	646.3	7.1	-0.6	1.8	2.9
	Energy	95.2	7.8	-1.3	-5.5	-0.4
	Administrative inflation ¹	63.4	20.5	0.0	0.6	0.6

**Chart 2. Divisions with largest impacts on the annual inflation rate (in %),
September 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. Subgroups with most important impacts on monthly inflation rate, September 2015

COICOP/ HICP	Subgroup	Weights ‰	Monthly inflation %	Influence in percentage points
0312	Garments	25.5	6.5	0.16
0117	Vegetables	39.5	2.0	0.07
0321/2	Shoes and other footwear, repair and hire of footwear	20.8	2.8	0.06
0115	Oils and fats	10.1	3.3	0.03
0114	Milk, cheese and eggs	66.8	0.6	0.03
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0111	Bread and cereals	49.2	0.0	-0.01
1111	Restaurants, cafés and the like	104.8	0.0	-0.02
0116	Fruit	18.2	-1.1	-0.02
0722	Fuels and lubricants for personal transport equipment	48.2	-2.6	-0.13
1120	Accommodation services	49.8	-7.6	-0.39

Table 3. Subgroups with most important impacts on annual inflation rate, September 2015

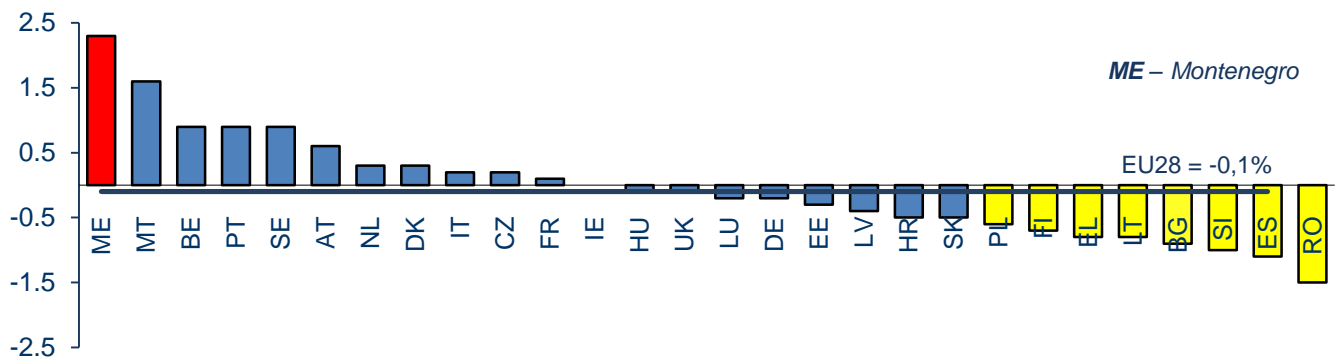
COICOP/ HICP	Subgroup	Weights ‰	Annual inflation %	Influence in percentage points
1120	Accommodation services	49.8	19.0	0.94
0116	Fruit	18.2	19.3	0.35
1111	Restaurants, cafés and the like	104.8	2.2	0.22
0112	Meat	76.8	1.8	0.13
0115	Oils and fats	10.1	13.0	0.13
0220	Tobacco	35.1	3.6	0.12
0117	Vegetables	39.5	3.0	0.12
0312	Garments	25.5	4.3	0.11
0114	Milk, cheese and eggs	66.8	1.4	0.09
0122	Mineral waters, soft drinks, fruit and vegetable juices	15.8	4.9	0.08
0118	Sugar, jam, honey, chocolate and confectionery	14.4	4.1	0.06
0213	Beer	15.0	3.2	0.05
0913	Information processing equipment	6.0	6.2	0.04
0723	Maintenance and repair of personal transport equipment	8.2	4.4	0.04
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0951	Books	4.0	-1.3	-0.01
0932	Equipment for sport, camping and open-air recreation	1.0	-9.7	-0.01
1212/3	Electric appliances for personal care and other appliances, articles and products for personal care	17.7	-0.9	-0.02
0520	Household textiles	5.2	-5.1	-0.03
0722	Fuels and lubricants for personal transport equipment	48.2	-10.2	-0.50

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

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

Source: EUROSTAT

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



Euro area annual inflation was -0.1% in September 2015, down from 0.1% in August. **European Union** annual inflation was -0.1% in September 2015, down from 0.0% in August.

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.

Sep 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.

Sep 2015 month of the current year
Aug 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.

Sep 2015 month of the current year
Sep 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.

Sep 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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