

## Consumer price indices

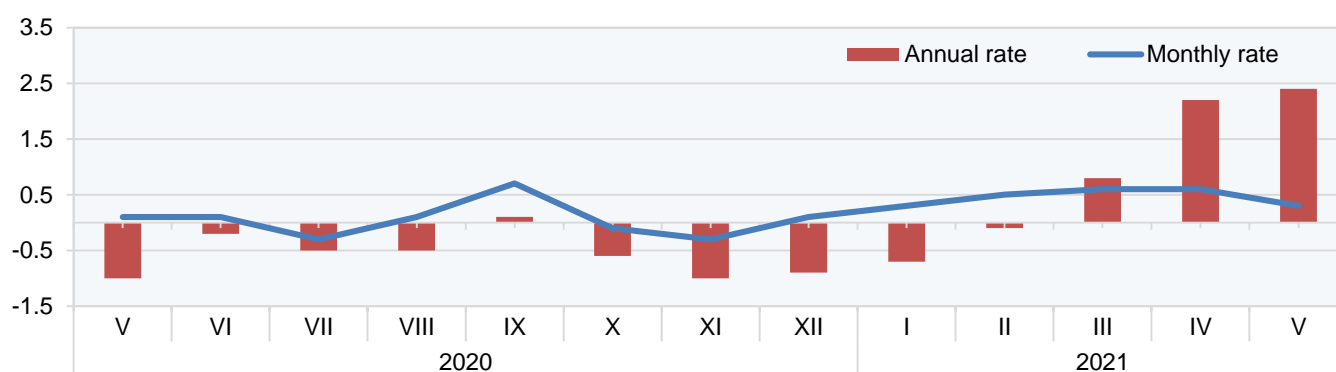
### May 2021

Prices of goods and services for personal consumption, measured by consumer price index, in May 2021, as compared to April 2021, increased by 0.3% on average. Consumer prices in May 2021, as compared to May 2020, increased by 2.4% on average. This was influenced mostly by increase in prices of: accommodation services; fuels and lubricants for personal transport equipment; non-durable household goods; oils and fats; meat; catering services; shoes and other footwear; garments. Consumer prices in period January-May 2021 compared to the same period of previous year, were higher for 0.9% in average.

Observing the main groups by purpose of consumption, in May 2021, as compared to April 2021, monthly increase of prices was noticed in the following groups: Restaurants and hotels (2.8%); Furnishing, household equipment and routine household maintenance (1.6%); Clothing and footwear (0.6%); Food and non-alcoholic beverages (0.3%); Health (0.3%); Transport (0.3%); Recreation and culture (0.3%); Alcoholic beverages and tobacco (0.2%), while decrease of prices was recorded in the following groups: Housing, water, electricity, gas and other fuels (-1.0%); Miscellaneous goods and services (-0.1%).

Prices of other products and services mostly remained unchanged.

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



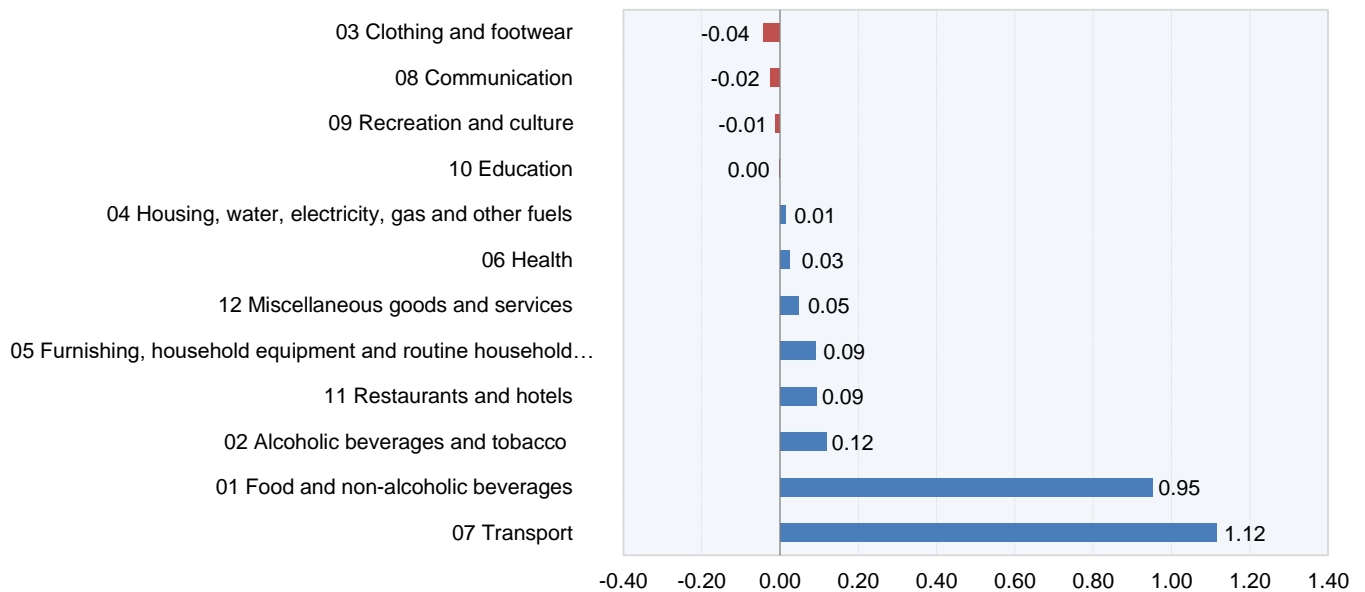
**Table 1. Inflation rate measured by Consumer price indices (CPI)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Annual inflation rate											
2020	1.5	0.9	0.0	-0.9	-1.0	-0.2	-0.5	-0.5	0.1	-0.6	-1.0	-0.9
2021	-0.7	-0.1	0.8	2.2	2.4							
	Monthly inflation rate											
2020	0.1	-0.1	-0.3	-0.7	0.1	0.1	-0.3	0.1	0.7	-0.1	-0.3	0.1
2021	0.3	0.5	0.6	0.6	0.3							

**Table 2. Inflation rates measured by CPI, in %**

	Name	Weights ‰	May 2021 Ø 2020	May 2021 Apr 2021	May 2021 May 2020	May 2021 Dec 2020	Jan-May 2021 Jan-May 2020
00	<b>CPI - total</b>	<b>1000.0</b>	<b>2.1</b>	<b>0.3</b>	<b>2.4</b>	<b>2.2</b>	<b>0.9</b>
01	Food and non-alcoholic beverages	341.1	3.5	0.3	2.8	3.7	2.0
02	Alcoholic beverages and tobacco	40.4	3.1	0.2	2.9	2.7	3.3
03	Clothing and footwear	86.1	-0.5	0.6	-0.5	-0.8	-2.4
04	Housing, water, electricity, gas and other fuels	154.0	-0.5	-1.0	0.1	-0.5	0.3
05	Furnishing, household equipment and routine household maintenance	39.4	1.9	1.6	2.4	1.7	0.4
06	Health	40.8	0.9	0.3	0.7	0.6	1.1
07	Transport	109.4	5.4	0.3	10.2	5.9	1.8
08	Communication	48.5	-0.2	0.0	-0.5	-0.1	-0.3
09	Recreation and culture	32.0	-0.1	0.3	-0.3	0.0	-0.3
10	Education	18.7	0.0	0.0	0.0	0.0	0.0
11	Restaurants and hotels	47.6	2.6	2.8	2.0	4.2	-0.9
12	Miscellaneous goods and services	42.0	1.1	-0.1	1.2	1.1	0.7

**Chart 2. Impacts of divisions on the annual inflation rate (in percentage points), May 2021**



**Table 3. Groups with most important impacts on monthly inflation rate,  
May 2021**

<b>ECOICOP</b>	<b>Group</b>	<b>Weights ‰</b>	<b>Monthly inflation %</b>	<b>Influence in percentage points</b>
1120	Accommodation services	19.0	5.5	0.10
0722	Fuels and lubricants for personal transport equipment	51.4	1.3	0.07
0561	Non-durable household goods	14.3	4.3	0.06
0115	Oils and fats	15.3	3.9	0.06
0112	Meat	91.0	0.6	0.06
1111	Restaurants, cafes and the like	28.6	0.9	0.03
0321	Shoes and other footwear	37.4	0.7	0.03
0312	Garments	47.9	0.5	0.03
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1213	Other appliances, articles and products for personal care	21.3	-0.4	-0.01
0711	Motor cars	7.5	-4.8	-0.04
0117	Vegetables	33.7	-1.2	-0.04
0454	Solid fuels	31.0	-4.8	-0.15

**Table 4. Groups with most important impacts on annual inflation rate,  
May 2021**

<b>ECOICOP</b>	<b>Group</b>	<b>Weights ‰</b>	<b>Annual inflation %</b>	<b>Influence in percentage points</b>
0722	Fuels and lubricants for personal transport equipment	51.4	23.6	1.20
0115	Oils and fats	15.3	37.6	0.57
0114	Milk, cheese and eggs	74.1	1.4	0.09
0220	Tobacco	27.4	3.4	0.09
0111	Bread and cereals	54.3	1.6	0.08
0733	Passenger transport by air	3.6	21.1	0.08
0118	Sugar, jam, honey, chocolate and confectionery	16.3	4.6	0.07
0112	Meat	91.0	0.9	0.07
0561	Non-durable household goods	14.3	4.6	0.06
1120	Accommodation services	19.0	3.1	0.06
0116	Fruit	20.3	2.3	0.04
0443	Sewage collection	2.2	15.8	0.03
1213	Other appliances, articles and products for personal care	21.3	1.8	0.03
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0820	Telephone and telefax equipment	3.6	-7.2	-0.03
0911	Equipment for the reception, recording and reproduction of sound and pictures	5.3	-6.5	-0.04
0711	Motor cars	7.5	-4.8	-0.04
0454	Solid fuels	31.0	-1.1	-0.04
0312	Garments	47.9	-0.8	-0.05
0117	Vegetables	33.7	-1.4	-0.05

**Table 5. Inflation rate measured by Harmonised Indices of Consumer Prices (HICP)<sup>1)</sup>**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	<b>Annual inflation rate</b>											
2021	-0.7	-0.2	0.5	1.8	2.3							
	<b>Monthly inflation rate</b>											
2021	0.3	0.4	0.5	0.6	0.6							

<sup>1)</sup> 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](#).

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**Published by the 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 PEJOVIC**

[contact@monstat.org](mailto:contact@monstat.org)

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