

RELEASE 122/2023

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## Consumer price indices

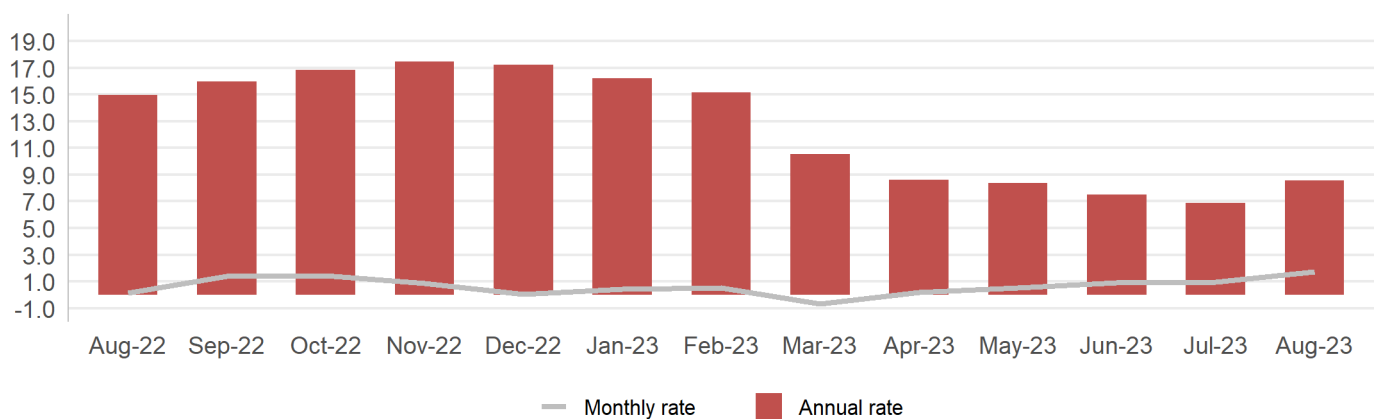
### August 2023

Prices of goods and services for personal consumption, measured by consumer price index, in August 2023, as compared to July 2023, increased by 1.7% on average. Consumer prices in August 2023, as compared to August 2022, increased by 8.6% on average. This was influenced mostly by increase in prices of: fuels and lubricants for personal transport equipment; solid fuels; vegetables; meat; garments; shoes and other footwear; accommodation services; fruit. Consumer prices in period January-August 2023 compared to the same period of previous year, were higher for 10.1% in average.

Observing the main groups by purpose of consumption, in August 2023 as compared to July 2023, monthly increase of prices was noticed in the following groups: Transport (3.9%); Clothing and footwear (2.3%); Housing, water, electricity, gas and other fuels (2.2%); Restaurants and hotels (1.9%); Food and non-alcoholic beverages (1.7%); Recreation and culture (1.3%); Furnishing, household equipment and routine household maintenance (0.4%); Health (0.3%); Alcoholic beverages and tobacco (0.1%), while decrease of prices was recorded in the following groups: Miscellaneous goods and services (-0.3%).

Prices of other products and services mostly remained unchanged.

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

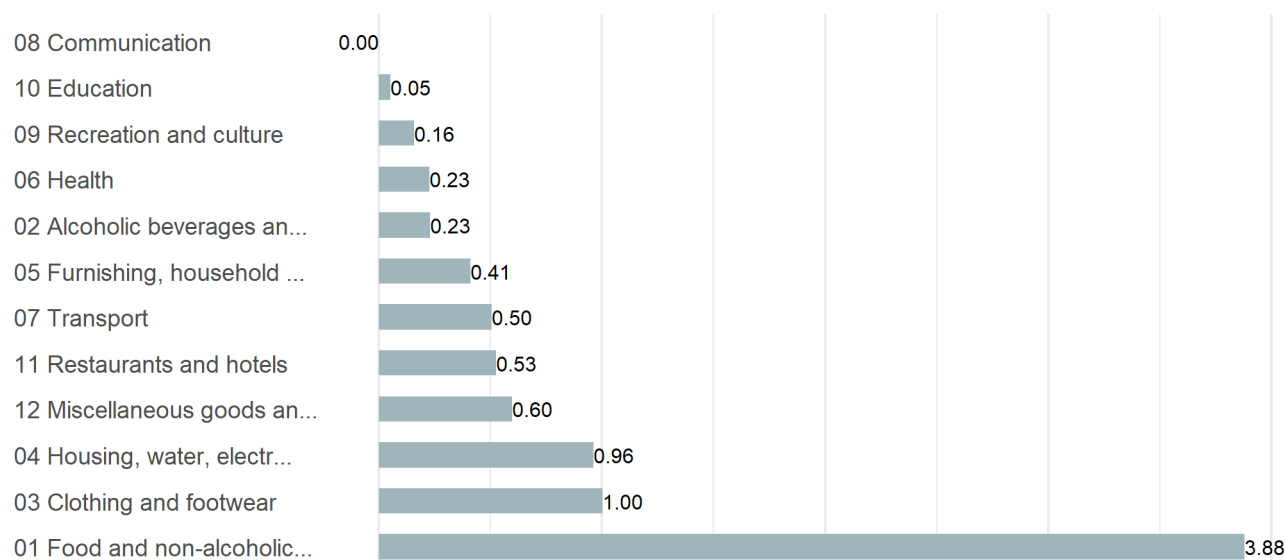


**Table 1.** Inflation rate measured by Consumer price indices (CPI)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Annual inflation rate</b>												
2022	5.7	6.7	9.7	11.2	11.7	13.5	14.9	15.0	16.0	16.8	17.5	17.2
2023	16.2	15.1	10.5	8.6	8.4	7.5	6.9	8.6				
<b>Monthly inflation rate</b>												
2022	1.3	1.5	3.4	1.9	0.8	1.8	1.5	0.2	1.4	1.4	0.9	0.1
2023	0.4	0.5	-0.7	0.2	0.5	0.9	1.0	1.7				

**Table 2.** Inflation rates measured by CPI, in %<sup>1</sup>

Name	Weights ‰	Aug-23 Ø2022	Aug-23 Jul-23	Aug-23 Aug-22	Aug-23 Dec-22	Jan-Aug 2023 Jan-Aug 2022
00 Total	1 000.0	10.7	1.7	8.6	4.6	10.1
01 Food and non-alcoholic beverages	360.2	13.8	1.7	10.5	4.9	14.4
02 Alcoholic beverages and tobacco	37.3	7.2	0.1	6.0	5.9	5.4
03 Clothing and footwear	80.8	5.1	2.3	13.9	-2.0	8.9
04 Housing, water, electricity, gas and other fuels	136.6	11.5	2.2	7.1	3.8	11.8
05 Furnishing, household equipment and routine household maintenance	44.2	11.4	0.4	10.0	5.3	11.9
06 Health	39.1	7.9	0.3	5.7	5.1	6.2
07 Transport	118.3	3.8	3.9	4.1	4.5	0.1
08 Communication	45.1	0.1	0.0	0.0	-0.2	0.3
09 Recreation and culture	31.4	6.2	1.3	5.1	3.6	5.1
10 Education	18.4	2.3	0.0	3.2	0.0	3.1
11 Restaurants and hotels	47.1	27.4	1.9	9.5	21.6	14.7
12 Miscellaneous goods and services	41.5	14.0	-0.3	15.4	4.6	16.1

**Chart 2.** Impacts of divisions on the annual inflation rate (in percentage points), August 2023

<sup>1</sup> More detailed CPI data are available at the following link: [Data](#)

**Table 3.** Groups with most important impacts on monthly inflation rate, August 2023

ECOICOP	Group	Weights ‰	Monthly inflation %	Influence in percentage points
0722	Fuels and lubricants for personal transport equipment	65.9	6.9	0.43
0454	Solid fuels	42.5	7.3	0.30
0117	Vegetables	39.4	7.0	0.29
0112	Meat	85.3	1.4	0.12
0312	Garments	47.0	2.2	0.09
0321	Shoes and other footwear	33.0	2.5	0.08
1120	Accommodation services	19.9	2.5	0.07
0116	Fruit	18.5	3.1	0.06
0960	Package holidays	4.2	-0.7	0.00
0431	Materials for the maintenance and repair of the dwelling	3.5	-1.6	-0.01
0115	Oils and fats	16.4	-0.7	-0.01
1213	Other appliances, articles and products for personal care	20.8	-0.9	-0.02

**Table 4.** Groups with most important impacts on annual inflation rate, August 2023

ECOICOP	Group	Weights ‰	Annual inflation %	Influence in percentage points
0112	Meat	85.3	14.4	1.26
0114	Milk, cheese and eggs	89.4	12.0	1.07
0117	Vegetables	39.4	20.6	0.81
0312	Garments	47.0	13.9	0.56
0321	Shoes and other footwear	33.0	14.0	0.44
0411	Actual rentals paid by tenants and other actual rentals	14.4	32.0	0.38
0111	Bread and cereals	62.2	5.1	0.33
0454	Solid fuels	42.5	7.7	0.33
0561	Non-durable household goods	17.3	20.4	0.31
1111	Restaurants, cafes and the like	27.2	10.4	0.29
1213	Other appliances, articles and products for personal care	20.8	13.8	0.27
1211	Hairdressing salons and personal grooming establishments	14.5	20.8	0.27
0116	Fruit	18.5	12.7	0.24
0912	Photographic and cinematographic equipment and optical instruments	0.5	-2.8	0.00
0914	Recording media	0.7	-2.5	0.00
0512	Carpets and other floor coverings	1.0	-3.1	0.00
0913	Information processing equipment	2.5	-5.3	-0.01
0911	Equipment for the reception, recording and reproduction of sound and pictures	4.6	-3.4	-0.02
0115	Oils and fats	16.4	-20.8	-0.38

**Table 5.** Inflation rate measured by Harmonised Indices of Consumer Prices (HICP)<sup>2</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Annual inflation rate</b>												
2022	5.5	6.4	8.7	10.2	10.6	11.9	13.7	13.9	14.7	15.4	15.8	15.7
2023	14.8	13.9	10.3	8.6	8.4	8.2	7.8	9.1				
<b>Monthly inflation rate</b>												
2022	1.2	1.3	2.8	1.9	1.0	1.7	2.1	0.4	0.8	0.8	0.5	0.1
2023	0.3	0.5	-0.5	0.4	0.8	1.6	1.7	1.7				

<sup>2</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](#).

When using the data, state:

"Data source: Statistical Office - MONSTAT"

*More data, as well as detailed methodological notes can be found in the section: [Consumer Price Index](#)*