

Harmonised Index of Consumer Prices (HICP) December 2017^(p)

Average annual inflation in 2017, measured by HICP was 2.8%

Monthly inflation measured by Harmonised index of consumer prices was -0.1% in December 2017, while the annual inflation was 2.9%. This was influenced mostly by decrease in prices of: vegetables; meat; garments; shoes and other footwear; milk, cheese and eggs; fruit; furniture and furnishings. Consumer prices in period January-December 2017 compared to the same period of previous year, measured by HICP, were higher for 2.8% in average.

Observing the main groups monthly drop of prices was noticed in the following groups: Clothing and footwear (-1.4%); Food and non-alcoholic beverages (-0.4%); Furnishing, household equipment and routine household maintenance (-0.2%); Recreation and culture (-0.2%), while a growth of prices was recorded in the following groups: Restaurants and hotels (0.7%); Housing, water, electricity, gas and other fuels (0.2%); Alcoholic beverages and tobacco (0.1%). Prices of other products and services in the following groups: Health; Transport; Communication; Education; Miscellaneous goods and service, mostly remained unchanged.

Positive annual inflation rates in December 2017 were observed in the following groups: Alcoholic beverages and tobacco (12.2%); Restaurants and hotels (7.0%); Transport (5.7%); Clothing and footwear (3.8%); Miscellaneous goods and service (1.9%); Housing, water, electricity, gas and other fuels (1.2%); Health (0.8%); Communications (0.2%); Food and non-alcoholic beverages (0.1%), while negative annual inflation rates were observed in the following groups: Recreation and culture (-0.8%); Furnishing, household equipment and routine household maintenance (-0.7%).

Chart 1. Annual and monthly rates of inflation (HICP)

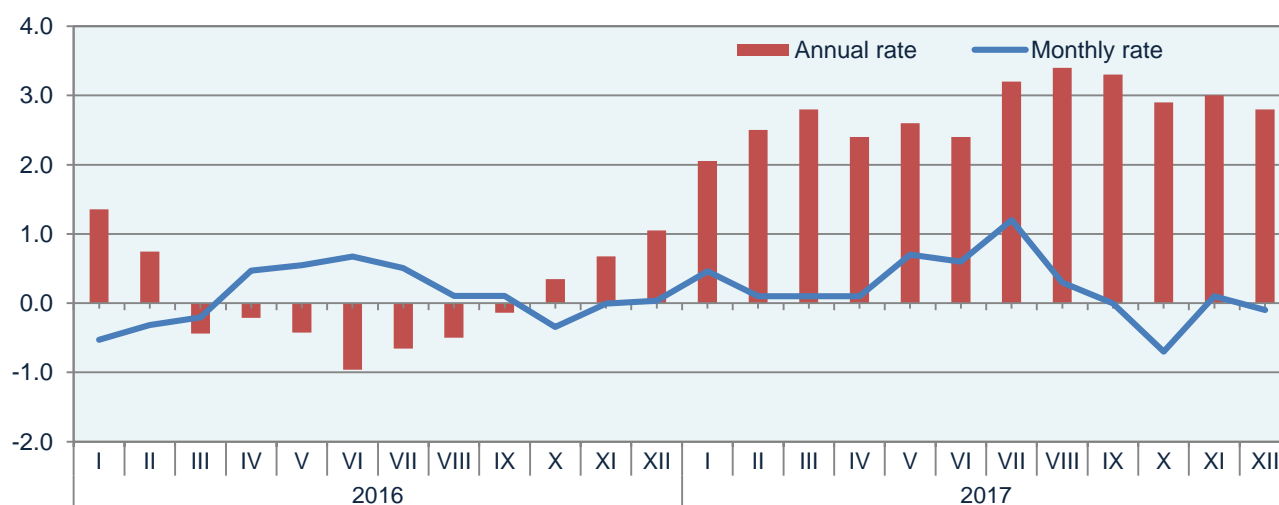
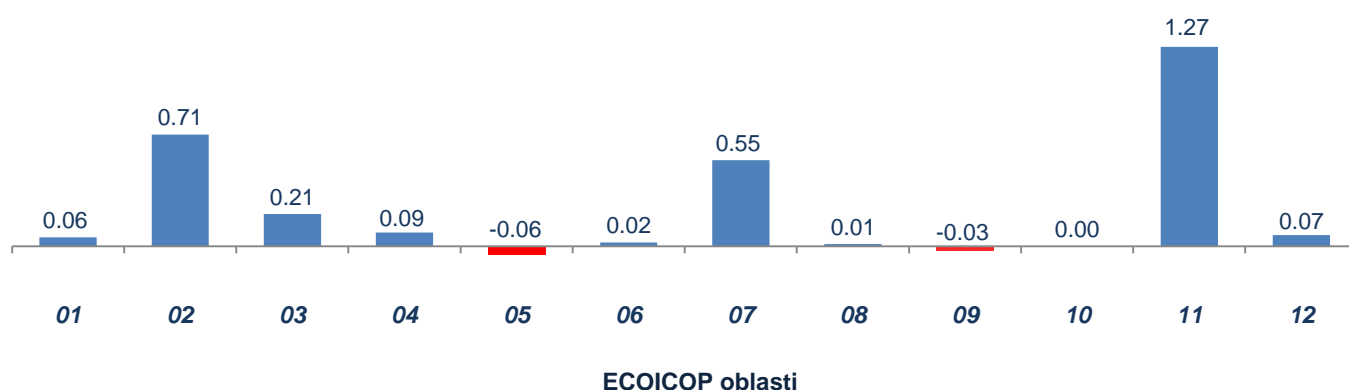


Table 1. Inflation rates measured by Harmonised Index of Consumer Prices, in %

	Name	Weights %	Dec 2017 Ø 2015	Dec 2017 Nov 2017	Dec 2017 Dec 2016	Jan-Dec 2017 Jan-Dec 2016
00	HICP - total	1000.0	3.7	-0.1	2.9	2.8
01	Food and non-alcoholic beverages	290.6	0.2	-0.4	0.1	1.9
02	Alcoholic beverages and tobacco	58.0	16.4	0.1	12.2	7.1
03	Clothing and footwear	53.0	10.3	-1.4	3.8	2.4
04	Housing, water, electricity, gas and other fuels	66.7	1.9	0.2	1.2	1.7
05	Furnishing, household equipment and routine household maintenance	89.2	-1.7	-0.2	-0.7	-1.2
06	Health	28.2	5.1	0.0	0.8	2.8
07	Transport	94.9	3.1	0.0	5.7	6.2
08	Communications	48.6	0.7	0.0	0.2	0.2
09	Recreation and culture	41.0	-0.4	-0.2	-0.8	-0.6
10	Education	13.2	0.0	0.0	0.0	0.0
11	Restaurants and hotels	179.8	9.2	0.7	7.0	5.1
12	Miscellaneous goods and services	36.8	1.3	0.0	1.9	1.5
Special aggregates						
	Products	678.0	2.8	-0.3	2.3	2.6
	Services	322.0	5.5	0.4	4.1	3.0
	HICP - excluding food, alcoholic beverages and tobacco	651.4	4.1	0.1	3.3	2.8
	Energy	85.0	3.3	0.0	6.4	7.5
	Administrative inflation ⁽¹⁾	52.0	0.6	0.0	1.4	1.5

Chart 2. Divisions with largest impacts on the annual inflation rate (in %), December 2017



⁽¹⁾ Inflation which measures trend of administratively established prices, and the following prices are covered under this: water supply, sewerage collection, refuse collection, electricity, maintenance charges in multi-occupied buildings, co-payments for medical services, MOT test, parking services (hire of parking spaces), costs of driving lessons, postal services, entrance fees for national parks, school textbooks, pre-primary education, public kindergarten, motor vehicle insurance and issuing of administrative documents such as birth certificates.

Table 2. Groups with most important impacts on monthly inflation rate, Dec 2017

ECOICOP	Group	Weights ‰	Monthly inflation %	Influence in percentage points
1120	Accommodation services	58.2	1.9	0.11
0432	Services for the maintenance and repair of the dwelling	3.6	3.1	0.01
0122	Mineral waters, soft drinks, fruit and vegetable juices	15.2	0.5	0.01
0211	Spirits	5.9	1.4	0.01
0111	Bread and cereals	45.5	0.1	0.01
0121	Coffee, tea and cocoa	10.7	0.6	0.01
0511	Furniture and furnishings	17.0	-0.9	-0.02
0116	Fruit	14.9	-1.3	-0.02
0114	Milk, cheese and eggs	61.4	-0.3	-0.02
0321	Shoes and other footwear	22.9	-1.5	-0.03
0312	Garments	29.3	-1.3	-0.04
0112	Meat	68.7	-0.7	-0.04
0117	Vegetables	32.8	-1.9	-0.06

Table 3. Groups with most important impacts on annual inflation rate, Dec 2017

ECOICOP	Group	Weights ‰	Annual inflation %	Influence in percentage points
1120	Accommodation services	58.2	15.3	0.90
0220	Tobacco	32.9	21.4	0.71
0722	Fuels and lubricants for personal transport equipment	36.5	14.0	0.51
1111	Restaurants, cafes and the like	121.6	3.0	0.38
0116	Fruit	14.9	7.7	0.12
0321	Shoes and other footwear	22.9	4.5	0.11
0312	Garments	29.3	3.4	0.10
0451	Electricity	36.8	1.8	0.07
0114	Milk, cheese and eggs	61.4	0.6	0.04
1213	Other appliances, articles and products for personal care	19.7	2.0	0.04
0121	Coffee, tea and cocoa	10.7	3.6	0.04
0911	Equipment for the reception, recording and reproduction of sound and pictures	4.7	-5.6	-0.03
0113	Fish and seafood	9.4	-3.6	-0.03
0213	Beer	14.1	-3.1	-0.04
0122	Mineral waters, soft drinks, fruit and vegetable juices	15.2	-3.3	-0.05
0112	Meat	68.7	-0.9	-0.05
0561	Non-durable household goods	35.9	-2.6	-0.09

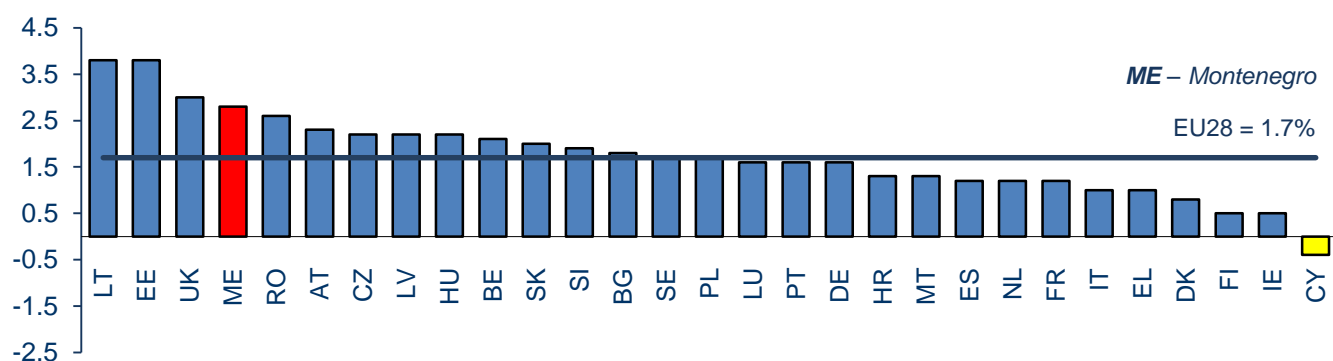
Table 4. Inflation rates in the EU measured by HICP, in %

	<u>Dec-16</u> <u>Dec-15</u>	<u>Jul-17</u> <u>Jul-16</u>	<u>Aug-17</u> <u>Aug-16</u>	<u>Sep-17</u> <u>Sep-16</u>	<u>Oct-17</u> <u>Oct-16</u>	<u>Nov-17</u> <u>Nov-16</u>	<u>Dec-17</u> <u>Dec-16</u>	<u>Dec-17</u> <u>Nov-17</u>
Euro area	1.1	1.3	1.5	1.5	1.4	1.5	1.4	0.4
European union	1.2	1.5	1.7	1.8	1.7	1.8	1.7	0.3
Belgium (BE)	2.2	1.8	2.0	2.0	1.8	2.1	2.1	0.4
Bulgaria (BG)	-0.5	0.6	0.7	1.3	1.5	1.9	1.8	0.7
Czech Republic (CZ)	2.1	2.4	2.4	2.5	2.8	2.5	2.2	0.0
Denmark (DK)	0.3	1.5	1.5	1.6	1.4	1.3	0.8	-0.4
Germany (DE)	1.7	1.5	1.8	1.8	1.5	1.8	1.6	0.8
Estonia (EE)	2.4	3.9	4.2	3.9	4.0	4.5	3.8	-0.4
Ireland (IE)	-0.2	-0.2	0.4	0.2	0.5	0.5	0.5	-0.1
Greece (EL)	0.3	0.9	0.6	1.0	0.5	1.1	1.0	0.3
Spain (ES)	1.4	1.7	2.0	1.8	1.7	1.8	1.2	0.0
France (FR)	0.8	0.8	1.0	1.1	1.2	1.2	1.2	0.4
Croatia (HR)	0.7	1.2	1.5	1.6	1.6	1.6	1.3	-0.3
Italy (IT)	0.5	1.2	1.4	1.3	1.1	1.1	1.0	0.3
Cyprus (CY)	0.1	-0.1	0.5	0.1	0.4	0.2	-0.4	-0.3
Latvia (LV)	2.1	2.6	3.2	3.0	2.7	2.7	2.2	0.0
Lithuania (LT)	2.0	4.1	4.6	4.6	4.2	4.2	3.8	0.1
Luxembourg (LU)	1.6	1.8	2.3	2.0	2.0	2.0	1.6	0.0
Hungary (HU)	1.8	2.2	2.7	2.5	2.2	2.6	2.2	0.0
Malta (MT)	1.0	1.2	1.2	1.2	1.5	1.5	1.3	-0.1
Netherlands (NL)	0.7	1.5	1.5	1.4	1.3	1.5	1.2	-0.1
Austria (AT)	1.6	2.0	2.1	2.5	2.4	2.4	2.3	0.6
Poland (PL)	0.9	1.4	1.4	1.6	1.6	2.0	1.7	0.2
Portugal (PT)	0.9	1.0	1.3	1.6	1.9	1.8	1.6	-0.2
Romania (RO)	-0.1	0.9	0.6	1.3	2.0	2.6	2.6	0.3
Slovenia (SI)	0.6	1.2	1.4	1.4	1.3	1.4	1.9	0.1
Slovakia (SK)	0.2	1.5	1.6	1.8	1.8	2.1	2.0	0.0
Finland (FI)	1.1	0.6	0.8	0.8	0.5	0.9	0.5	-0.1
Sweden (SE)	1.7	2.3	2.2	2.2	1.7	1.9	1.7	0.4
United Kingdom (UK)	1.6	2.6	2.9	3.0	3.0	3.1	3.0	0.4

Source: EUROSTAT

p = provisional; * = revised; ... = not available

Chart 3. Annual inflation rate measured by HICP, December 2017



Euro area annual inflation was 1.4% in December 2017, down from 1.5% in November 2017. **European Union** annual inflation was 1.7% in December 2017, down from 1.8% in November 2017.

METODOLOGICAL NOTES

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 Price (CPI), it uses different methodological concept which is used by all EU members.

Dec 2017 month of the current year

Ø 2015 average of base year

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

Dec 2017 month of the current year

Nov 2017 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.

Dec 2017 month of the current year

Dec 2016 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.

Jan-Dec 2017 the average rate of 12 months

Jan-Dec 2016 the average rate of the previous 12 months

This rate (the 12-month average rate) indicates the change in the average index of 12 months (one year not as a calendar year, except for December) compared with the average index of the previous 12 months ("year") expressed as a percentage.

The influence of certain groups on inflation rate indicates how much that certain 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 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.

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