

## Harmonised Index of Consumer Prices (HICP) September 2017

**Consumer prices in September 2017 remained at the level of average prices from the previous month**

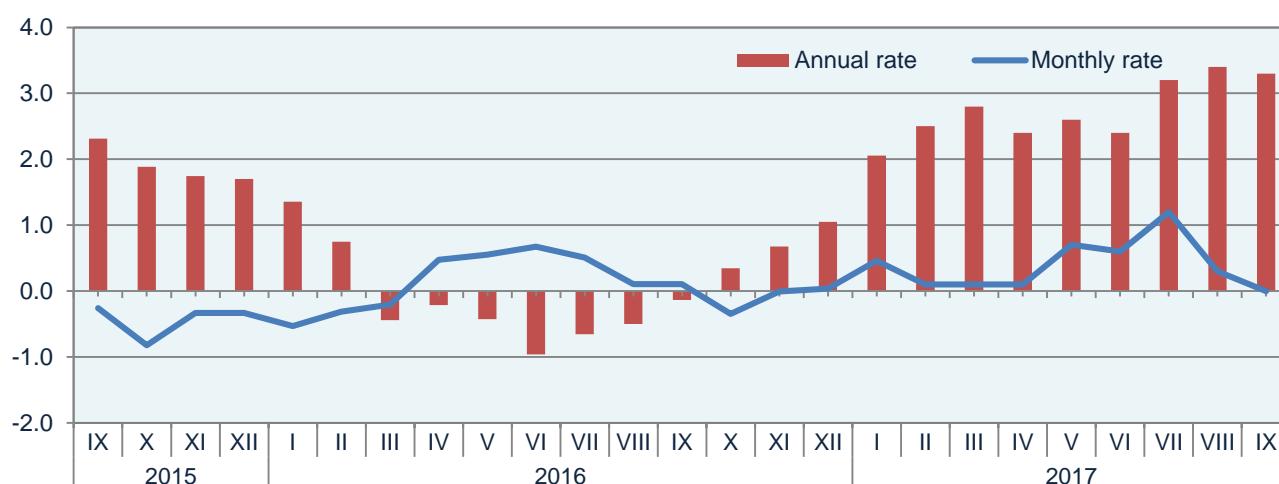
Monthly inflation measured by Harmonised index of consumer prices was 0.0% in September 2017, while the annual inflation was 3.3%. Growth rate of consumer prices in period Januar-September 2017 compared to the same period of previous year was 2.7%.

Observing the main groups monthly growth of prices was noticed in the following groups: Clothing and footwear (10.5%); Transport (0.6%); Housing, water, electricity, gas and other fuels (0.2%), while a drop of prices was recorded in the following groups: Restaurants and hotels (-3.2%); Furnishing, household equipment and routine household maintenance (-0.1%).

Prices of other products and services mostly remained unchanged.

Positive annual inflation rates in September 2017 were observed in the following groups: Alcoholic beverages and tobacco (12.8%); Transport (6.5%); Clothing and footwear (5.8%); Restaurants and hotels (4.8%); Health (2.6%); Miscellaneous goods and service (2.1%); Housing, water, electricity, gas and other fuels (1.9%); Food and non-alcoholic beverages (1.2%); Communications (0.2%), while negative annual inflation rates were observed in the following groups: Recreation and culture (-0.6%) and Furnishing, household equipment and routine household maintenance (-0.3%).

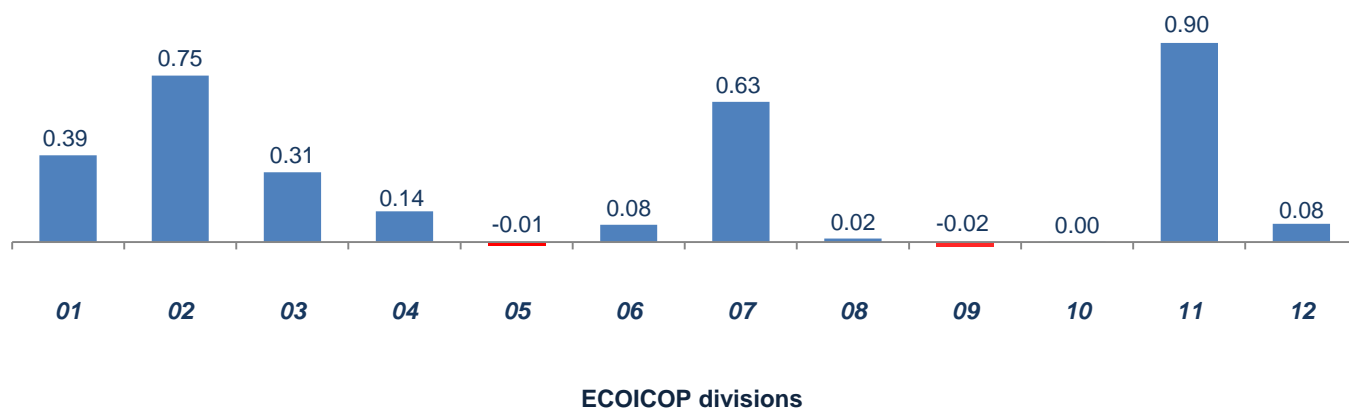
**Chart 1. Annual and monthly rates of inflation (HICP)**



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

	Name	Weights %	Sep 2017 Ø 2015	Sep 2017 Aug 2017	Sep 2017 Sep 2016	Sep 2017 Dec 2016
00	<b>HICP - total</b>	<b>1000.0</b>	<b>4.4</b>	<b>0.0</b>	<b>3.3</b>	<b>3.6</b>
01	Food and non-alcoholic beverages	290.6	0.9	0.0	1.2	0.8
02	Alcoholic beverages and tobacco	58.0	16.4	0.0	12.8	12.2
03	Clothing and footwear	53.0	11.8	10.5	5.8	5.2
04	Housing, water, electricity, gas and other fuels	66.7	1.8	0.2	1.9	1.1
05	Furnishing, household equipment and routine household maintenance	89.2	-1.2	-0.1	-0.3	-0.1
06	Health	28.2	5.1	0.0	2.6	0.7
07	Transport	94.9	1.9	0.6	6.5	4.5
08	Communications	48.6	0.6	0.0	0.2	0.2
09	Recreation and culture	41.0	-0.3	0.0	-0.6	-0.7
10	Education	13.2	0.0	0.0	0.0	0.0
11	Restaurants and hotels	179.8	11.8	-3.2	4.8	9.6
12	Miscellaneous goods and services	36.8	1.4	0.0	2.1	2.0
<b>Special aggregates</b>						
	Products	678.0	3.1	0.9	3.3	2.6
	Services	322.0	6.9	-1.9	3.0	5.5
	HICP - excluding food, alcoholic beverages and tobacco	651.4	4.8	0.0	3.3	4.0
	Energy	85.0	2.0	0.9	7.9	5.1
	Administrative inflation <sup>(1)</sup>	52.0	0.6	0.0	1.4	1.4

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



<sup>(1)</sup> 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, Sept. 2017**

ECOICOP	Group	Weights ‰	Monthly inflation %	Influence in percentage points
0321	Shoes and other footwear	22.9	13.4	0.30
0312	Garments	29.3	8.7	0.25
0117	Vegetables	32.8	3.2	0.10
0722	Fuels and lubricants for personal transport equipment	36.5	1.6	0.05
0454	Solid fuels	11.5	1.3	0.01
0118	Sugar, jam, honey, chocolate and confectionery	13.8	-0.4	-0.01
0111	Bread and cereals	45.5	-0.1	-0.01
0561	Non-durable household goods	35.9	-0.2	-0.01
0112	Meat	68.7	-0.1	-0.02
1111	Restaurants, cafes and the like	121.6	-0.3	-0.06
0116	Fruit	14.9	-4.3	-0.07
1120	Accommodation services	58.2	-7.8	-0.47

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

ECOICOP	Group	Weights ‰	Annual inflation %	Influence in percentage points
0220	Tobacco	32.9	21.4	0.71
0722	Fuels and lubricants for personal transport equipment	36.5	16.5	0.61
1120	Accommodation services	58.2	7.7	0.46
1111	Restaurants, cafes and the like	121.6	3.1	0.41
0321	Shoes and other footwear	22.9	6.8	0.16
0312	Garments	29.3	5.0	0.15
0112	Meat	68.7	1.5	0.12
0114	Milk, cheese and eggs	61.4	1.7	0.12
0117	Vegetables	32.8	2.9	0.10
0611	Pharmaceutical products	17.5	4.2	0.08
0451	Electricity	36.8	1.8	0.08
1213	Other appliances, articles and products for personal care	19.7	2.7	0.06
0213	Beer	14.1	-1.4	-0.02
0960	Package holidays	5.4	-3.7	-0.02
0911	Equipment for the reception, recording and reproduction of sound and pictures	4.7	-5.3	-0.02
0122	Mineral waters, soft drinks, fruit and vegetable juices	15.2	-2.8	-0.04
0561	Non-durable household goods	35.9	-1.7	-0.05

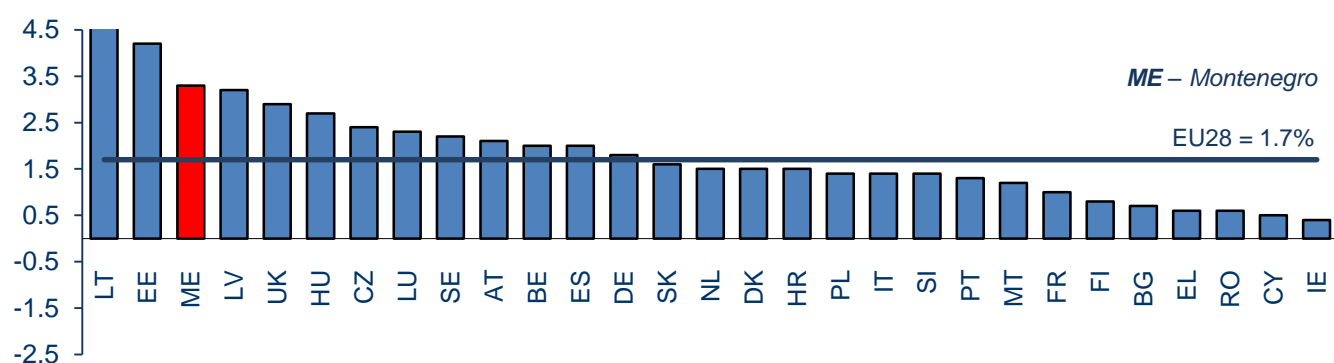
**Table 4. Inflation rates in the EU measured by HICP, in %**

	<u>Aug-16</u> <u>Aug-15</u>	<u>Mar-17</u> <u>Mar-16</u>	<u>Apr-17</u> <u>Apr-16</u>	<u>May-17</u> <u>May-16</u>	<u>Jun-17</u> <u>Jun-16</u>	<u>Jul-17</u> <u>Jul-16</u>	<u>Aug-17</u> <u>Aug-16</u>	<u>Aug-17</u> <u>Jul-17</u>
<b>Euro area</b>	<b>0.2</b>	<b>1.5</b>	<b>1.9</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.5</b>	<b>0.3</b>
<b>European union</b>	<b>0.3</b>	<b>1.6</b>	<b>2.0</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.7</b>	<b>0.2</b>
Belgium (BE)	2.0	2.5	2.7	1.9	1.5	1.8	2.0	1.5
Bulgaria (BG)	-1.1	1.0	1.7	1.4	1.1	0.6	0.7	0.2
Czech Republic (CZ)	0.6	2.6	2.1	2.5	2.4	2.4	2.4	-0.2
Denmark (DK)	0.0	0.9	1.0	0.7	0.4	1.5	1.5	-0.4
Germany (DE)	0.3	1.5	2.0	1.4	1.5	1.5	1.8	0.2
Estonia (EE)	1.1	3.0	3.6	3.5	3.1	3.9	4.2	0.4
Ireland (IE)	-0.4	0.6	0.7	0.0	-0.6	-0.2	0.4	0.4
Greece (EL)	0.4	1.7	1.6	1.5	0.9	0.9	0.6	-0.3
Spain (ES)	-0.3	2.1	2.6	2.0	1.6	1.7	2.0	0.2
France (FR)	0.4	1.4	1.4	0.9	0.8	0.8	1.0	0.6
Croatia (HR)	-1.5	1.1	1.4	1.0	1.1	1.2	1.5	0.0
Italy (IT)	-0.1	1.4	2.0	1.6	1.2	1.2	1.4	0.1
Cyprus (CY)	-0.6	1.5	2.1	0.9	0.9	-0.1	0.5	1.0
Latvia (LV)	-0.1	3.3	3.3	2.7	3.1	2.6	3.2	-0.1
Lithuania (LT)	0.5	3.2	3.5	3.2	3.5	4.1	4.6	0.0
Luxembourg (LU)	-0.2	2.5	2.6	1.9	1.5	1.8	2.3	1.4
Hungary (HU)	-0.1	2.7	2.3	2.1	2.0	2.2	2.7	0.0
Malta (MT)	1.0	1.2	1.1	1.1	1.0	1.2	1.2	0.4
Netherlands (NL)	0.1	0.6	1.4	0.7	1.0	1.5	1.5	0.2
Austria (AT)	0.6	2.1	2.3	2.1	2.0	2.0	2.1	0.0
Poland (PL)	-0.5	1.8	1.8	1.5	1.3	1.4	1.4	-0.2
Portugal (PT)	0.8	1.4	2.4	1.7	1.0	1.0	1.3	0.2
Romania (RO)	0.3	0.4	0.6	0.5	0.7	0.9	0.6	-0.3
Slovenia (SI)	-0.2	2.0	1.7	1.5	0.9	1.2	1.4	0.1
Slovakia (SK)	-0.8	1.0	0.8	1.1	1.0	1.5	1.6	0.0
Finland (FI)	0.5	0.9	1.0	0.9	0.9	0.6	0.8	0.2
Sweden (SE)	1.2	1.4	2.0	1.8	1.8	2.3	2.2	-0.2
United Kingdom (UK)	0.6	2.3	2.7	2.9	2.6	2.6	2.9	0.6

Source: EUROSTAT

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

**Chart 3. Annual inflation rate measured by HICP, August 2017**



**Euro area** annual inflation was 1.5% in August 2017, up from 1.3% in July 2017. **European Union** annual inflation was 1.7% in August 2017, up from 1.5% in July 2017.

## METHODOLOGICAL 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.

**Sep 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.

**Sep 2017 month of the current year**

**Sep 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.

**Sep 2017 month of the current year**

**Sep 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.

**Sep 2017 month of the current year**

**Dec 2016 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 is equal the annual inflation rate.

**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.

**Issued and printed by 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 PEJOVIĆ**

**Tel. +382-20-231-004**

*e-mail:* [contact@monstat.org](mailto:contact@monstat.org)