MONTENEGRO
STATISTICAL OFFICE
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Harmonised Index of Consumer Prices (HICP)
January 2018

Monthly inflation in January 2018, measured by HICP was 1.1%

Monthly inflation measured by Harmonised index of consumer prices was 1.1% in January 2018, while the annual inflation was 3.6%. This was influenced mostly by increase in prices of: tobacco; catering services; fuels and lubricants for personal transport equipment; electricity; telephone and telefax services; mineral water, soft drinks, fruit and vegetable juices; passenger transport by road.

The growth of inflation rate was also generated by rising VAT from 19% to 21%.

Observing the main groups monthly growth of prices was noticed in the following groups: Alcoholic beverages and tobacco (13.4%); Transport (2.0%); Communication (1.6%); Housing, water, electricity, gas and other fuels (1.3%); Recreation and culture (0.6%); Food and non-alcoholic beverages (0.3%); Health (0.1%); Miscellaneous goods and service (0.1%), while a drop of prices was recorded in the following groups: Clothing and footwear (-4.0%); Restaurants and hotels (-0.3%); Furnishing, household equipment and routine household maintenance (-0.2%).

Positive annual inflation rates in January 2018 were observed in the following groups: Alcoholic beverages and tobacco (27.1%); Restaurants and hotels (6.6%); Clothing and footwear (6.3%); Transport (3.4%); Communications (1.8%); Miscellaneous goods and service (1.6%); Housing, water, electricity, gas and other fuels (1.3%); Health (0.7%), while negative annual inflation rates were observed in the following groups: Furnishing, household equipment and routine household maintenance (-0.7%); Food and non-alcoholic beverages (-0.5%); Recreation and culture (-0.3%).

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

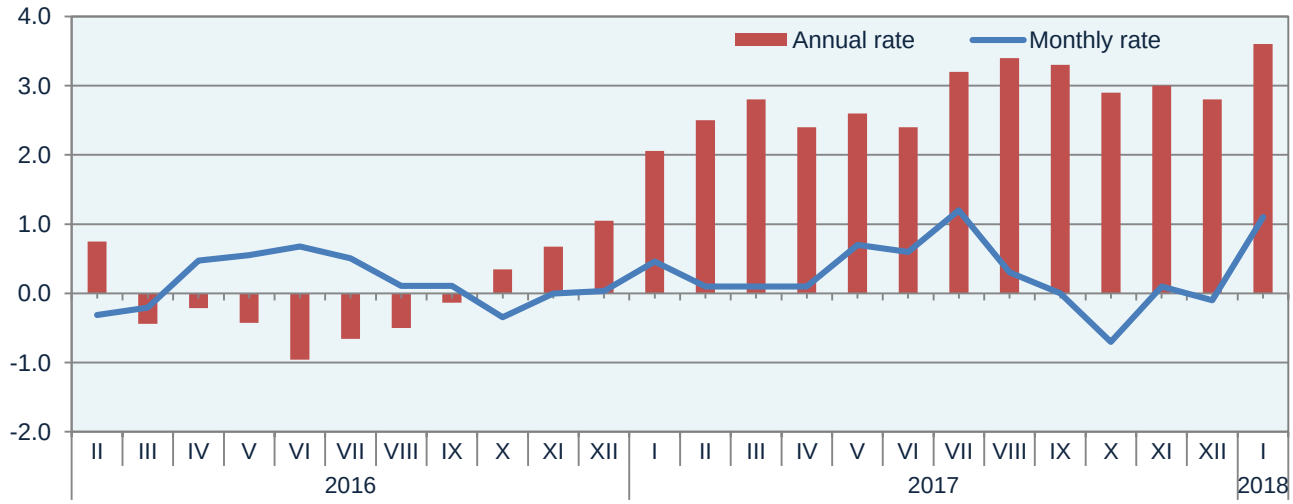
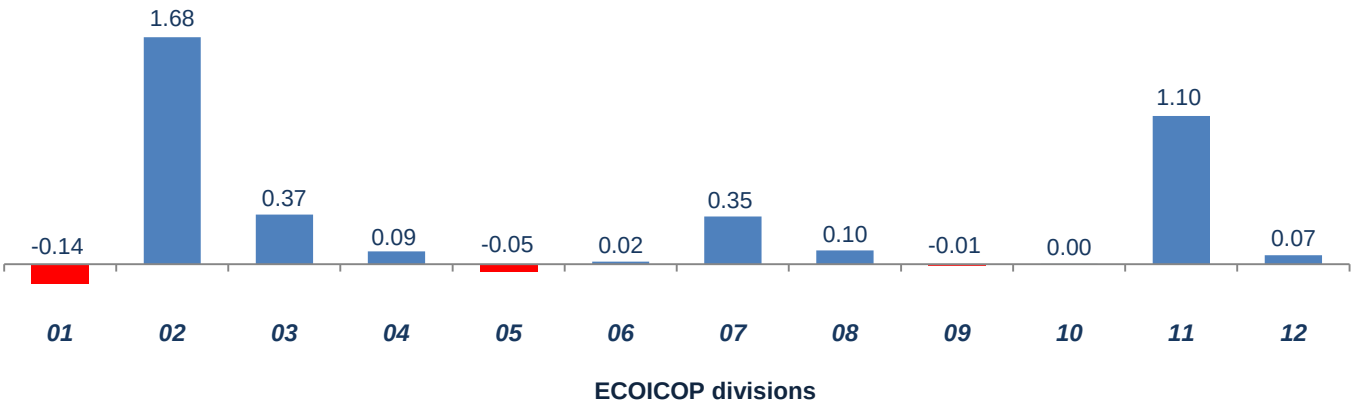


Table 1. Inflation rates measured by Harmonised Index of Consumer Prices, in %

	Name	Weights ‰	Jan 2018 Ø 2015	Jan 2018 Dec 2017	Jan 2018 Jan 2017	Jan 2018 Ø 2017
00	**HICP - total**	***1000.0***	**4.8**	**1.1**	**3.6**	**1.9**
01	Food and non-alcoholic beverages	*289.7*	0.4	0.3	-0.5	-0.5
02	Alcoholic beverages and tobacco	*61.9*	32.0	13.4	27.1	20.1
03	Clothing and footwear	*57.4*	5.9	-4.0	6.3	0.8
04	Housing, water, electricity, gas and other fuels	*70.0*	3.3	1.3	1.3	1.8
05	Furnishing, household equipment and routine household maintenance	*83.7*	-1.9	-0.2	-0.7	-0.4
06	Health	*25.9*	5.2	0.1	0.7	0.3
07	Transport	*101.7*	5.2	2.0	3.4	3.5
08	Communications	*55.7*	2.3	1.6	1.8	1.7
09	Recreation and culture	*37.3*	0.1	0.6	-0.3	0.4
10	Education	*12.0*	0.0	0.0	0.0	0.0
11	Restaurants and hotels	*164.4*	8.8	-0.3	6.6	0.8
12	Miscellaneous goods and services	*40.3*	1.4	0.1	1.6	0.5
Special aggregates						
Products		*688.5*	4.5	1.6	3.3	2.4
Services		*311.5*	5.6	0.1	4.2	0.9
HICP - excluding food, alcoholic beverages and tobacco		*648.4*	4.2	0.1	3.1	1.1
Energy		*94.2*	5.4	2.1	2.8	3.7
Administrative inflation[(1)]		*53.7*	2.4	1.8	1.9	1.9

Chart 2. Divisions with largest impacts on the annual inflation rate (in %), January 2018



(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, Jan 2018

ECOICOP	Group	Weights ‰	Monthly inflation %	Influence in percentage points
0220	Tobacco	*37.9*	17.9	0.69
1111	Restaurants, cafes and the like	*108.3*	0.9	0.12
0722	Fuels and lubricants for personal transport equipment	*43.2*	2.3	0.11
0451	Electricity	*38.5*	2.6	0.11
0830	Telephone and telefax services	*50.6*	1.7	0.10
0122	Mineral waters, soft drinks, fruit and vegetable juices	*14.5*	5.7	0.09
0732	Passenger transport by road	*13.9*	4.1	0.06
0117	Vegetables	*32.3*	1.5	0.06
0531	Major household appliances whether electric or not	*14.3*	-1.5	-0.02
0321	Shoes and other footwear	*25.0*	-1.3	-0.03
0112	Meat	*68.5*	-0.7	-0.03
1120	Accommodation services	*56.1*	-2.9	-0.15
0312	Garments	*31.6*	-6.1	-0.18

Table 3. Groups with most important impacts on annual inflation rate, Jan 2018

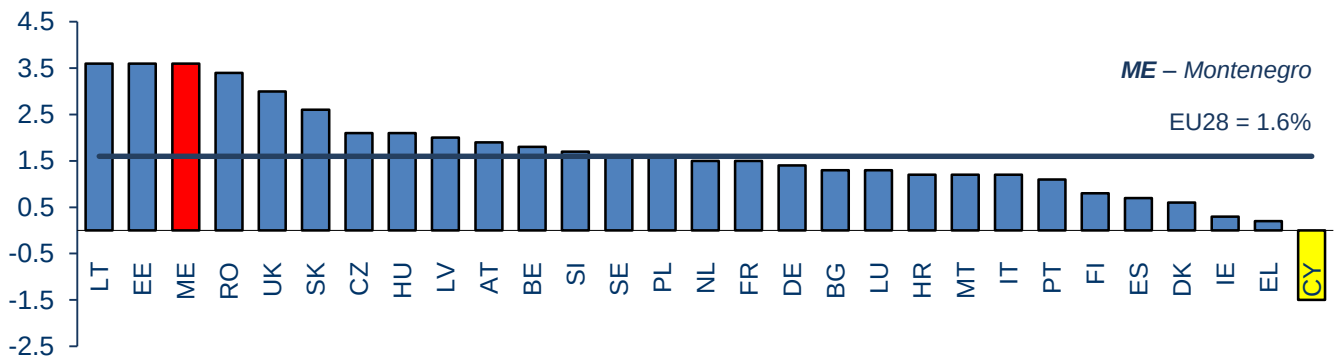
ECOICOP	Group	Weights ‰	Annual inflation %	Influence in percentage points
0220	Tobacco	*37.9*	43.1	1.64
1120	Accommodation services	*56.1*	11.6	0.66
1111	Restaurants, cafes and the like	*108.3*	3.9	0.43
0321	Shoes and other footwear	*25.0*	9.6	0.24
0722	Fuels and lubricants for personal transport equipment	*43.2*	4.7	0.21
0312	Garments	*31.6*	3.9	0.13
0116	Fruit	*15.5*	7.7	0.12
0451	Electricity	*38.5*	2.6	0.10
0830	Telephone and telefax services	*50.6*	1.7	0.09
0732	Passenger transport by road	*13.9*	4.1	0.06
0211	Spirits	*6.0*	8.8	0.05
0213	Beer	*12.9*	-2.2	-0.03
0113	Fish and seafood	*9.3*	-3.2	-0.03
0454	Solid fuels	*12.3*	-2.9	-0.03
0561	Non-durable household goods	*33.1*	-2.1	-0.07
0112	Meat	*68.5*	-1.3	-0.09
0117	Vegetables	*32.3*	-6.3	-0.20

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

	Jan-17 / Jan-16	Aug-17 / Aug-16	Sep-17 / Sep-16	Oct-17 / Oct-16	Nov-17 / Nov-16	Dec-17 / Dec-16	Jan-18 / Jan-17	Jan-18 / Dec-17
Euro area	**1.8**	**1.5**	**1.5**	**1.4**	**1.5**	**1.4**	**1.3**	**-0.9**
European union	**1.7**	**1.7**	**1.8**	**1.7**	**1.8**	**1.7**	**1.6**	**-0.7**
Belgium (BE)	3.1	2.0	2.0	1.8	2.1	2.1	1.8	-1.2
Bulgaria (BG)	0.4	0.7	1.3	1.5	1.9	1.8	1.3	0.2
Czech Republic (CZ)	2.3	2.4	2.5	2.8	2.5	2.2	2.1	0.7
Denmark (DK)	0.7	1.5	1.6	1.4	1.3	0.8	0.6	-0.3
Germany (DE)	1.9	1.8	1.8	1.5	1.8	1.6	1.4	-1.0
Estonia (EE)	2.8	4.2	3.9	4.0	4.5	3.8	3.6	0.1
Ireland (IE)	0.2	0.4	0.2	0.5	0.5	0.5	0.3	-0.7
Greece (EL)	1.5	0.6	1.0	0.5	1.1	1.0	0.2	-1.2
Spain (ES)	2.9	2.0	1.8	1.7	1.8	1.2	0.7	-1.5
France (FR)	1.6	1.0	1.1	1.2	1.2	1.2	1.5	-0.1
Croatia (HR)	0.9	1.5	1.6	1.6	1.6	1.3	1.2	-0.2
Italy (IT)	1.0	1.4	1.3	1.1	1.1	1.0	1.2	-1.5
Cyprus (CY)	0.7	0.5	0.1	0.4	0.2	-0.4	-1.5	-1.9
Latvia (LV)	2.9	3.2	3.0	2.7	2.7	2.2	2.0	-0.1
Lithuania (LT)	2.5	4.6	4.6	4.2	4.2	3.8	3.6	0.0
Luxembourg (LU)	2.5	2.3	2.0	2.0	2.0	1.6	1.3	-0.9
Hungary (HU)	2.4	2.7	2.5	2.2	2.6	2.2	2.1	0.3
Malta (MT)	1.4	1.2	1.2	1.5	1.5	1.3	1.2	-1.2
Netherlands (NL)	1.6	1.5	1.4	1.3	1.5	1.2	1.5	-0.4
Austria (AT)	2.1	2.1	2.5	2.4	2.4	2.3	1.9	-1.0
Poland (PL)	1.4	1.4	1.6	1.6	2.0	1.7	1.6	0.2
Portugal (PT)	1.3	1.3	1.6	1.9	1.8	1.6	1.1	-1.2
Romania (RO)	0.3	0.6	1.3	2.0	2.6	2.6	3.4	0.7
Slovenia (SI)	1.5	1.4	1.4	1.3	1.4	1.9	1.7	-0.6
Slovakia (SK)	0.8	1.6	1.8	1.8	2.1	2.0	2.6	0.9
Finland (FI)	0.9	0.8	0.8	0.5	0.9	0.5	0.8	-0.3
Sweden (SE)	1.5	2.2	2.2	1.7	1.9	1.7	1.6	-0.9
United Kingdom (UK)	1.8	2.9	3.0	3.0	3.1	3.0	3.0	-0.5

Source: EUROSTAT

Chart 3. Annual inflation rate measured by HICP, January 2018



Euro area annual inflation rate was 1.3% in January 2018, down from 1.4% in December 2017. **European Union** annual inflation was 1.6% in January 2018, down from 1.7% in December 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 Index Price (CPI), it uses different methodological concept which is used by all EU members.

Jan 2018 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.

Jan 2018 month of the current year
Dec 2017 previous month

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.

Jan 2018 month of the current year
Jan 2017 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 2018 month of the current year
Ø 2017 average of previous year

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

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 percenatge points (10*5%=0.5 percentage pionts - 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*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.

According to the Revision policy of the Statistical Office, the final data shall be published with the date defined by the Statistical Release Calendar.

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