MONTENEGRO
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Harmonised Index of Consumer Prices (HICP)
February 2018

Monthly inflation in February 2018, measured by HICP was 0.3%

Monthly inflation measured by Harmonised index of consumer prices was 0.3% in February 2018, while the annual inflation was 3.7%. This was influenced mostly by increase in prices of: non-durable household goods; garments; fruit; shoes and other footwear; oils and fats; fish and sea food; milk, cheese and eggs; beer; other appliances, articles and products for personal care; meat, etc.

Observing the main groups monthly growth of prices was noticed in the following groups: Clothing and footwear (2.1%); Furnishing, household equipment and routine household maintenance (1.6%); Miscellaneous goods and service (0.4%); Alcoholic beverages and tobacco (0.3%); Food and non-alcoholic beverages (0.2%); Transport (0.1%); Recreation and culture (0.1%), while a drop of prices was recorded in the following groups: Housing, water, electricity, gas and other fuels (-0.6%); Restaurants and hotels (-0.2%).

Prices of other products and services mostly remained unchanged.

Positive annual inflation rates in February 2018 were observed in the following groups: Alcoholic beverages and tobacco (27.4%); Clothing and footwear (8.5%); Restaurants and hotels (6.4%); Transport (3.5%); Communications (1.8%); Miscellaneous goods and service (1.7%); Housing, water, electricity, gas and other fuels (1.0%); Furnishing, household equipment and routine household maintenance (0.7%); Health (0.7%); Recreation and culture (0.3%), while negative annual inflation rate was observed in group Food and non-alcoholic beverages (-0.8%).

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

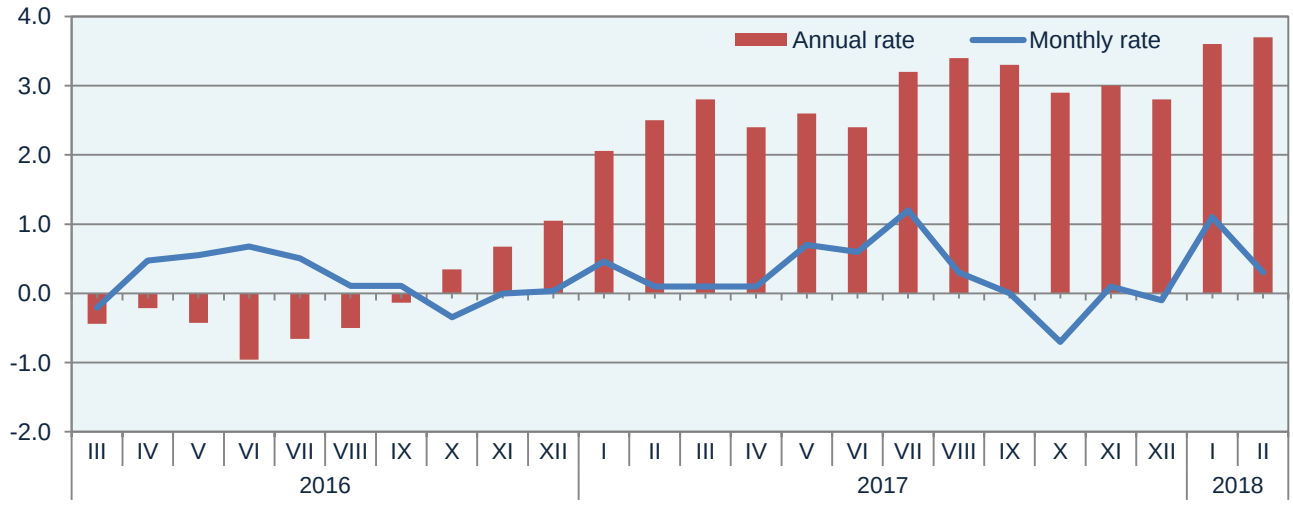
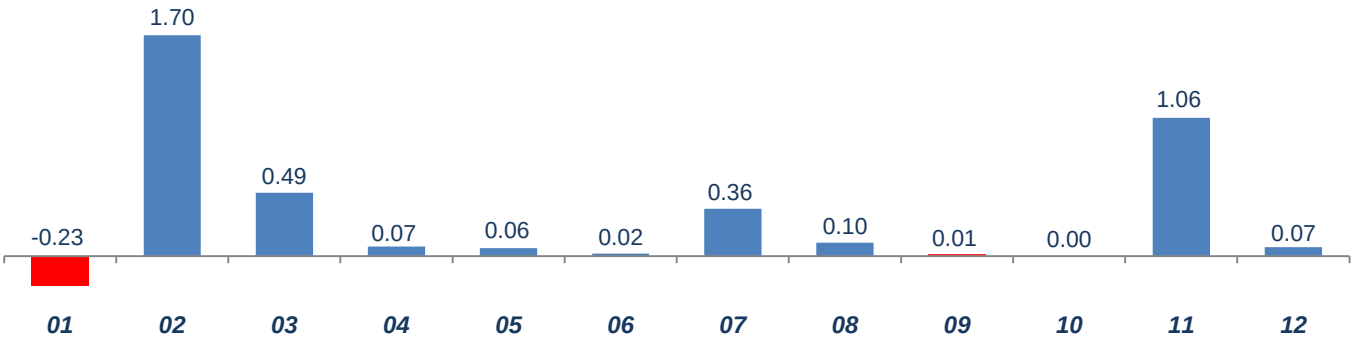


Table 1. Inflation rates measured by Harmonised Index of Consumer Prices, in %

	Name	Weights ‰	Feb 2018 Ø 2015	Feb 2018 Jan 2018	Feb 2018 Feb 2017	Feb 2018 Dec 2017
00	**HICP - total**	***1000.0***	**5.1**	**0.3**	**3.7**	**1.4**
01	Food and non-alcoholic beverages	*289.7*	0.6	0.2	-0.8	0.5
02	Alcoholic beverages and tobacco	*61.9*	32.4	0.3	27.4	13.7
03	Clothing and footwear	*57.4*	8.1	2.1	8.5	-2.0
04	Housing, water, electricity, gas and other fuels	*70.0*	2.7	-0.6	1.0	0.7
05	Furnishing, household equipment and routine household maintenance	*83.7*	-0.3	1.6	0.7	1.5
06	Health	*25.9*	5.2	0.0	0.7	0.1
07	Transport	*101.7*	5.3	0.1	3.5	2.2
08	Communications	*55.7*	2.3	0.0	1.8	1.6
09	Recreation and culture	*37.3*	0.2	0.1	0.3	0.7
10	Education	*12.0*	0.0	0.0	0.0	0.0
11	Restaurants and hotels	*164.4*	8.7	-0.2	6.4	-0.5
12	Miscellaneous goods and services	*40.3*	1.8	0.4	1.7	0.5
Special aggregates						
Products		*688.5*	4.9	0.5	3.5	2.1
Services		*311.5*	5.5	-0.1	4.2	0.1
HICP - excluding food, alcoholic beverages and tobacco		*648.4*	4.5	0.3	3.4	0.4
Energy		*94.2*	5.1	-0.3	2.8	1.7
Administrative inflation[(1)]		*53.7*	2.4	0.0	1.9	1.8

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

ECOICOP	Group	Weights ‰	Monthly inflation %	Influence in percentage points
0561	Non-durable household goods	*33.1*	4.5	0.15
0312	Garments	*31.6*	3.0	0.10
0116	Fruit	*15.5*	2.4	0.04
0321	Shoes and other footwear	*25.0*	1.0	0.02
0115	Oils and fats	*10.5*	1.8	0.02
0113	Fish and seafood	*9.3*	2.0	0.02
0114	Milk, cheese and eggs	*61.8*	0.2	0.01
0213	Beer	*12.9*	1.0	0.01
1213	Other appliances, articles and products for personal care	*21.3*	0.6	0.01
0112	Meat	*68.5*	0.2	0.01
0119	Food products n.e.c.	*7.5*	1.1	0.01
1120	Accommodation services	*56.1*	-0.5	-0.03
0454	Solid fuels	*12.3*	-3.2	-0.04
0117	Vegetables	*32.3*	-1.9	-0.06

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

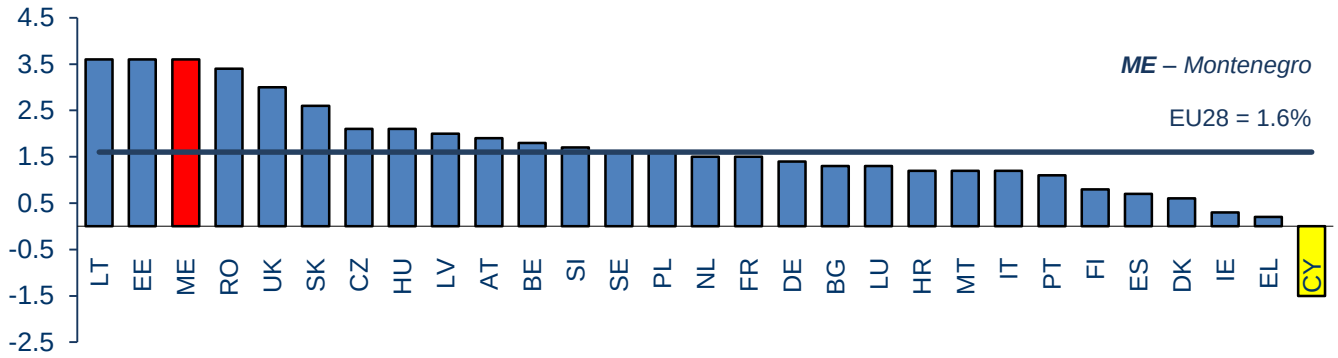
ECOICOP	Group	Weights ‰	Annual inflation %	Influence in percentage points
0220	Tobacco	*37.9*	43.1	1.64
1120	Accommodation services	*56.1*	11.1	0.63
1111	Restaurants, cafes and the like	*108.3*	3.9	0.43
0321	Shoes and other footwear	*25.0*	10.6	0.27
0312	Garments	*31.6*	7.1	0.23
0722	Fuels and lubricants for personal transport equipment	*43.2*	4.9	0.21
0116	Fruit	*15.5*	6.8	0.11
0451	Electricity	*38.5*	2.6	0.10
0830	Telephone and telefax services	*50.6*	1.7	0.09
0561	Non-durable household goods	*33.1*	1.8	0.06
0732	Passenger transport by road	*13.9*	4.4	0.06
0113	Fish and seafood	*9.3*	-2.2	-0.02
0911	Equipment for the reception, recording and reproduction of sound and pictures	*4.1*	-6.1	-0.02
0531	Major household appliances whether electric or not	*14.3*	-1.8	-0.03
0454	Solid fuels	*12.3*	-4.4	-0.05
0112	Meat	*68.5*	-1.3	-0.08
0117	Vegetables	*32.3*	-10.3	-0.33

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.

Feb 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.

Feb 2018 month of the current year
Jan 2018 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.

Feb 2018 month of the current year
Feb 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.

Feb 2018 month of the current year
Dec 2017 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 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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