

Price indices	2002		2003		
	Dec 2002/ Dec 2001	Φ (Jan-Dec 02)/ Φ (Jan-Dec 01)	June 03/ May 03	June 03/ June 02	Φ (July 02-June 03)/ Φ (July 01-June 02)
Consumer prices	107.2	107.5	100.3	106.0	106.6
Goods	106.4	106.3	99.9	105.4	105.8
Fuels and energy	106.4	104.2	100.1	102.7	104.3
Other	106.4	106.8	99.9	105.9	105.9
Services	109.4	110.7	101.1	107.7	109.0
Administered prices¹	109.5	110.7	100.8	104.1	106.0
Energy	106.2	106.1	100.1	102.9	105.0
Other	116.0	118.5	102.2	106.1	108.3
Core inflation					
Trimmean	106.9	106.6	100.3	106.3	106.2
Excluding food and energy	106.0	106.1	100.5	105.5	105.8
Producer prices	103.7	105.1	100.1	102.7	103.7
Intermediate goods	102.0	103.7	100.1	102.1	102.7
Investment goods	103.5	102.7	100.1	99.2	101.7
Consumer goods	105.9	107.5	100.1	104.5	105.5
Inflation in the EU-12					
Consumer prices	102.3	102.2	100.1	102.0	102.2
Excluding food, energy, tobacco, alcohol	102.2	102.4	100.1	101.8	102.1
Producer prices	101.5	99.9	99.6 ²	101.3 ²	101.0 ²

Sources of data: HICP, IPI: SORS, administered prices: calculated by the IMAD, core inflation: calculated by the IMAD, HICP in the EU: Eurostat (preliminary data) and calculated by the IMAD. Notes: numbers do not always round off: (1) figures between years are not fully comparable because of changes introduced to the consumer price index in 2003, (2) a figure for the previous month.

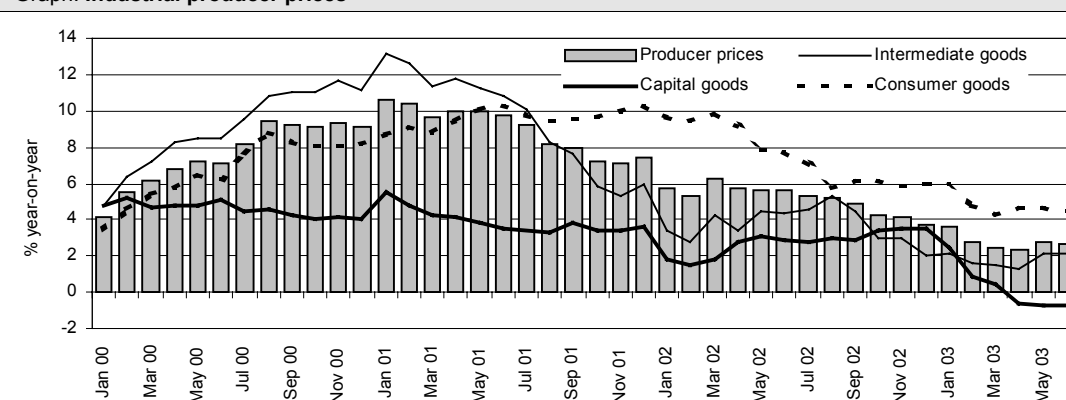
Consumer prices rose by 0.3% in **June** and by 1.2% in the second quarter as a whole. They rose by 2.2% in the first quarter, so the total six-month rise was 1.2 percentage points lower than in the same period last year. June's year-on-year rise strengthened to 6.0% mainly due to different dynamics than last year (in June 2002 prices fell by 0.2%), but this rise was still 0.8 of a percentage point lower than at the end of June 2002.

Prices were largely pushed up by **higher prices of services**, which added 0.3 of a percentage point to inflation. The biggest rises were seen in recreation and culture services (up 1.8%), which contributed 0.2 of a percentage point to inflation, catering and accommodation services (up 0.6%) and transport services (up 0.4%), which together added 0.1 of a percentage point. The prices of housing and household equipment added 0.1 of a percentage point to inflation, while the prices of food dropped by 0.7%, which reduced inflation by 0.1 of a percentage point. This June's price rise was 0.5 of a percentage point higher than in June 2002 because of a bigger rise in the given services prices and a lower seasonal drop in food prices.

Part of this rise was underpinned by the higher prices of services which are under **various regimes of regulation**. Radio and TV subscription rose by 3.1% and basic local utility services by 2.8%. Administered prices rose by a total of 0.8% in June and added 0.1 of a percentage point to inflation. They rose by 2.5% in the first six months, 1.2 percentage points less than freely-floating prices. According to the plan of raising administered prices, prices under direct regulation should not increase in the second half of the year, so the year-end rise in administered prices will largely depend on administered prices that are influenced by price trends abroad. Provided that the current level is roughly maintained, administered prices should rise at a lower rate than freely-floating prices at the end of the year.

Industrial producer prices rose by 1.0% in the first six months. The prices of consumer goods and intermediate goods added 0.6 of a percentage point each, while the lower prices of investment goods reduced the total rise by 0.2 of a percentage point.

Graph: **Industrial producer prices**



Source of data: SORS.