

Price indices	2003		2004		
	Dec 2003/ Dec 2002	Φ (Jan 03-Dec 03)/ Φ (Jan 02-Dec 02)	June 2004/ May 2004	June 2004/ June 2003	Φ (July 03-June 04)/ Φ (July 02-June 03)
Consumer prices	104.6	105.6	100.3	103.9	104.4
Goods	103.9	105.0	99.9	103.0	103.6
Fuels and energy	103.6	103.5	100.1	106.8	103.1
Other	104.0	105.3	99.9	102.2	103.7
Services	106.5	106.9	101.2	106.0	106.3
Administered prices¹	104.0	104.4	100.1	107.2	105.1
Energy	103.5	103.5	100.1	107.7	103.0
Other	104.8	106.1	100.2	106.3	109.5
Core inflation					
Trimmean	104.2	105.9	100.1	103.4	104.6
Excluding food and energy	103.7	104.9	100.4	102.8	103.7
Producer prices	102.1	102.5	100.1	104.2	103.0
Intermediate goods	102.5	102.0	100.0	105.9	103.7
Investment goods	98.9	99.6	100.3	103.1	100.1
Consumer goods	102.4	104.1	100.2	102.7	103.0
Inflation in the EU-12					
Consumer prices	102.0	102.1	100.0	102.4	102.0
Excluding food, energy, tobacco, alcohol	101.6	101.8	100.2	101.9	101.7
Producer prices	101.0	101.5	100.6 ²	102.4 ²	101.1 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: ¹figures between years are not fully comparable because of changes introduced to the consumer price index in 2004, ²a figure for the previous month.

Even though **June's rise in consumer prices** was the same as in June 2003 (0.3%), the annual inflation grew by 0.1 of a percentage point to 3.9% (6.0% in June 2003). Average inflation, on the other hand, continued to decline in June, edging down by 0.2 of a percentage point compared to the previous month and 2.2 compared to the year before.

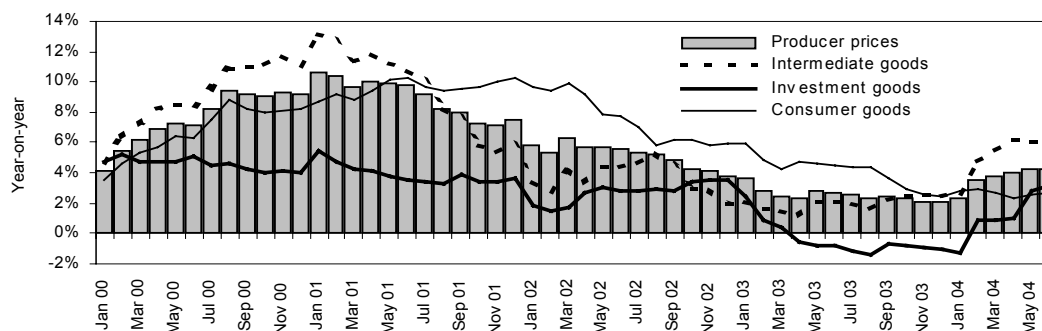
Inflation in June was chiefly underpinned by higher prices of services. The largest contribution to the June rise in consumer prices came from the seasonal surge in holiday package prices, adding approximately 0.2 of a percentage point to inflation. Other price rises contributed 0.2 of a percentage point to inflation in total, with the exception of lower food prices which reduced inflation by 0.1 of a percentage point.

Despite the growth of measured inflation, narrow price indexes have recorded a continual fall over the last two months. The core inflation dropped by 0.9 of a percentage point in the first half of the year, while market-determined prices fell by 1.1 percentage points over the same period (to 3.1% year on year). These developments indicate that the price rise recorded in the last two months was due to one-off factors rather than changes in economic policies. Increased oil prices, however, have not yet had a significant impact on other price trends.

In the first six months of the year the growth of administered prices was higher than expected. This increase was largely underpinned by the higher prices of liquid fuels for transport and heating (up 10.8% in June year on year) and basic local utility services (their prices went up by 8.6% in June at the annual level). Following the levelling-off in liquid fuel prices in June, a decline in growth was also recorded in administered prices.

Higher oil and other commodity prices also accelerated the growth of industrial producer prices. Their year-on-year growth rose by 1.7 percentage points in the first half of the year, reaching the value of 4.2% in June. Among the index sub-groups, the fastest price rise was recorded in investment goods (up 4.2 percentage points in the first six months of the year) and intermediate goods (up 3.4 percentage points), while consumer goods prices rose by 0.3 of a percentage point over the last six months.

Graph: Industrial producer prices



Source of data: SORS.