

107/2012 - 16 July 2012

June 2012

Euro area annual inflation stable at 2.4%

EU up to 2.6%

Euro area¹ annual inflation was 2.4% in June 2012, unchanged compared with May². A year earlier the rate was 2.7%. Monthly inflation was -0.1% in June 2012.

EU³ annual inflation was 2.6% in June 2012, up from 2.5% in May. A year earlier the rate was 3.1%. Monthly inflation was 0.0% in June 2012.

These figures come from **Eurostat, the statistical office of the European Union**.

Inflation in the EU Member States

In June 2012, the lowest annual rates were observed in **Sweden** (0.9%), **Greece** (1.0%) and **Bulgaria** (1.6%), and the highest in **Hungary** (5.6%), **Estonia** and **Malta** (both 4.4%). Compared with May 2012, annual inflation fell in eight Member States, remained stable in eight and rose in ten.

The lowest 12-month averages⁴ up to June 2012 were registered in **Sweden** (1.1%), **Ireland** (1.6%) and **Greece** (1.9%), and the highest in **Estonia** and **Hungary** (both 4.7%) and **Slovakia** (4.1%).

Euro area

The main components with the highest annual rates in June 2012 were alcohol & tobacco (4.9%), housing (3.7%) and transport (3.1%), while the lowest annual rates were observed for communications (-2.8%), education (0.7%) and recreation & culture (0.8%). Concerning the detailed sub-indices, fuels for transport (+0.13 percentage points), gas (+0.11) and tobacco (+0.10) had the largest upward impacts on the headline rate, while telecommunications (-0.17), cars and rents (-0.06 each) had the biggest downward impacts.

The main components with the highest monthly rates were food and hotels & restaurants (both 0.4%) and communications (0.2%), while the lowest monthly rates were observed for clothing (-1.2%), transport (-0.7%) and housing (-0.1%) In particular, fruit (+0.08 percentage points) and accommodation services (+0.03) had the largest upward impacts, while fuels for transport (-0.16), garments (-0.07) and heating oil (-0.04) had the biggest downward impacts.

Annual inflation (%) in June 2012 in ascending order

| Euro area | | | | | | | | | | | | | | | | | |
|--|-----|-----|-----|-----|------|------|-----------------|-----------|------|-----|-----|-----|-----|-----|-----|-----|-----|
| EL | ES | IE | DE | BE | AT | FR | SI | Euro area | NL | LU | PT | CY | FI | IT | SK | EE | MT |
| 1.0 | 1.8 | 1.9 | 2.0 | 2.2 | 2.2p | 2.3 | 2.4 | 2.4p | 2.5p | 2.6 | 2.7 | 2.9 | 2.9 | 3.6 | 3.7 | 4.4 | 4.4 |
| EU Member States outside the euro area | | | | | | | | | | | | | | | | | |
| SE | BG | LV | DK | RO | LT | EU | UK ⁵ | CZ | PL | HU | | | | | | | |
| 0.9 | 1.6 | 2.1 | 2.2 | 2.2 | 2.6 | 2.6p | May 12 2.8 | 3.8 | 4.2 | 5.6 | | | | | | | |

Inflation rates in %, measured by HICPs

| | Annual rates | | | | | 12 month average rates ⁴ Jun 12-11 Jun 11-10 | Monthly rates Jun 12 May 12 |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|---|-----------------------------------|
| | Jun 12 Jun 11 | May 12 May 11 | Apr 12 Apr 11 | Mar 12 Mar 11 | Jun 11 Jun 10 | | |
| | Belgium (BE) | 2.2 | 2.6 | 2.9 | 3.1 | | |
| Germany (DE) | 2.0 | 2.2 | 2.2 | 2.3 | 2.4 | 2.4 | -0.2 |
| Estonia (EE) | 4.4 | 4.1 | 4.3 | 4.7 | 4.9 | 4.7 | 0.1 |
| Ireland (IE) | 1.9 | 1.9 | 1.9 | 2.2 | 1.1 | 1.6 | -0.2 |
| Greece (EL) | 1.0 | 0.9 | 1.5 | 1.4 | 3.1 | 1.9 | -0.2 |
| Spain (ES) | 1.8 | 1.9 | 2.0 | 1.8 | 3.0 | 2.4 | -0.2 |
| France (FR) | 2.3 | 2.3 | 2.4 | 2.6 | 2.3 | 2.5 | 0.1 |
| Italy (IT) | 3.6 | 3.5 | 3.7 | 3.8 | 3.0 | 3.4 | 0.2 |
| Cyprus (CY) | 2.9 | 3.7 | 3.6 | 3.5 | 4.5 | 3.3 | -0.1 |
| Luxembourg (LU) | 2.6 | 2.7 | 3.0 | 2.9 | 3.8 | 3.3 | -0.2 |
| Malta (MT) | 4.4 | 3.7 | 3.8 | 2.6 | 3.1 | 2.7 | 1.1 |
| Netherlands (NL) | 2.5p | 2.5 | 2.8 | 2.9 | 2.3 | 2.8p | -0.6p |
| Austria (AT) | 2.2p | 2.2r | 2.3 | 2.6 | 3.7 | 3.1p | 0.0p |
| Portugal (PT) | 2.7 | 2.7 | 2.9 | 3.1 | 3.3 | 3.2 | -0.2 |
| Slovenia (SI) | 2.4 | 2.4 | 2.9 | 2.4 | 1.6 | 2.3 | -0.6 |
| Slovakia (SK) | 3.7 | 3.4 | 3.7 | 3.9 | 4.1 | 4.1 | 0.2 |
| Finland (FI) | 2.9 | 3.1 | 3.0 | 2.9 | 3.4 | 3.1 | 0.1 |
| Euro area (MUICP) | 2.4p | 2.4 | 2.6 | 2.7 | 2.7 | 2.7p | -0.1p |
| Bulgaria (BG) | 1.6 | 1.8 | 2.0 | 1.7 | 3.5 | 2.3 | -0.5 |
| Czech Republic (CZ) | 3.8 | 3.5 | 4.0 | 4.2 | 1.9 | 3.2 | 0.2 |
| Denmark (DK) | 2.2 | 2.1 | 2.3 | 2.7 | 2.9 | 2.5 | -0.2 |
| Latvia (LV) | 2.1 | 2.3 | 2.8 | 3.2 | 4.7 | 3.5 | 0.0 |
| Lithuania (LT) | 2.6 | 2.6 | 3.3 | 3.7 | 4.8 | 3.7 | 0.0 |
| Hungary (HU) | 5.6 | 5.4 | 5.6 | 5.5 | 3.5 | 4.7 | 0.0 |
| Poland (PL) | 4.2 | 3.6 | 4.0 | 3.9 | 3.7 | 4.0 | 0.2 |
| Romania (RO) | 2.2 | 2.0 | 1.9 | 2.5 | 8.0 | 3.1 | -0.1 |
| Sweden (SE) | 0.9 | 0.9 | 1.0 | 1.1 | 1.5 | 1.1 | -0.3 |
| United Kingdom (UK) ⁵ | : | 2.8 | 3.0 | 3.5 | 4.2 | : | : |
| EU (EICP) | 2.6p | 2.5r | 2.7 | 2.9 | 3.1 | 3.0p | 0.0p |
| Iceland (IS) | 6.9 | 6.0 | 7.2 | 7.8 | 4.8 | 6.0 | 1.1 |
| Norway (NO) | 0.0 | 0.2 | -0.1 | 0.5 | 1.3 | 0.7 | -0.6 |
| EEA (EEAICP) | 2.5p | 2.5r | 2.7 | 2.9 | 3.1 | 2.9p | 0.0p |
| Switzerland (CH) | -1.2 | -1.1 | -1.1 | -1.0 | 0.5 | -0.7 | -0.2 |

Source: Eurostat

p = provisional

r = revised

: = data not available

Euro area inflation rates in % for main components, measured by HICPs

| Euro area (MUICP) | Weight used in 2012 | Annual rates | | | | | 12 month average rates ⁴ Jun 12-11 Jun 11-10 | Monthly rates Jun 12 May 12 |
|-----------------------------|---------------------|--------------|--------|--------|--------|--------|---|-----------------------------------|
| | | Jun 12 | May 12 | Apr 12 | Mar 12 | Jun 11 | | |
| | | Jun 11 | May 11 | Apr 11 | Mar 11 | Jun 10 | | |
| 00 All-items | 1000.0 | 2.4p | 2.4 | 2.6 | 2.7 | 2.7 | 2.7p | -0.1p |
| 01 Food | 152.4 | 2.8p | 2.3 | 2.7 | 3.0 | 2.7 | 2.8p | 0.4p |
| 02 Alcohol and tobacco | 38.3 | 4.9p | 4.7 | 4.7 | 4.4 | 2.6 | 4.1p | 0.0p |
| 03 Clothing | 68.0 | 2.2p | 1.9 | 2.2 | 2.5 | 1.0 | 1.2p | -1.2p |
| 04 Housing | 162.8 | 3.7p | 4.0 | 3.9 | 4.0 | 4.8 | 4.6p | -0.1p |
| 05 Household equipment | 66.5 | 1.4p | 1.4 | 1.4 | 1.4 | 1.1 | 1.4p | 0.1p |
| 06 Health | 44.3 | 2.0p | 2.1 | 2.2 | 2.2 | 1.5 | 2.0p | 0.0p |
| 07 Transport | 154.3 | 3.1p | 3.7 | 4.3 | 4.6 | 5.3 | 4.8p | -0.7p |
| 08 Communications | 31.3 | -2.8p | -3.3 | -3.1 | -2.8 | -1.2 | -2.3p | 0.2p |
| 09 Recreation and culture | 92.6 | 0.8p | 1.3 | 0.8 | 0.7 | 0.4 | 0.7p | 0.1p |
| 10 Education | 10.4 | 0.7p | 0.7 | 0.7 | 0.9 | 1.8 | 1.1p | 0.0p |
| 11 Hotels and restaurants | 91.8 | 1.9p | 2.0 | 2.0 | 1.7 | 1.9 | 1.9p | 0.4p |
| 12 Miscellaneous | 87.4 | 1.8p | 1.8 | 2.0 | 2.2 | 2.6 | 2.2p | 0.1p |
| All-items | | | | | | | | |
| -excl. energy | 890.1 | 1.9p | 1.8 | 1.9 | 2.0 | 1.8 | 1.9p | 0.1p |
| -excl. energy, FoodAlcTob* | 699.4 | 1.6p | 1.6 | 1.6 | 1.6 | 1.6 | 1.5p | 0.1p |
| -excl. energy, unproc. food | 817.9 | 1.8p | 1.8 | 1.9 | 1.9 | 1.8 | 1.9p | 0.1p |
| -excl. energy, seas. food | 853.7 | 1.9p | 1.9 | 1.9 | 2.0 | 1.8 | 1.9p | 0.1p |
| -excl. tobacco | 976.6 | 2.3p | 2.3 | 2.5 | 2.6 | 2.7 | 2.6p | -0.1p |
| Energy | 109.9 | 6.1p | 7.3 | 8.1 | 8.5 | 10.9 | 9.9p | -1.7p |
| FoodAlcTob* | 190.7 | 3.2p | 2.8 | 3.1 | 3.3 | 2.7 | 3.1p | 0.3p |

Source: Eurostat

* FoodAlcTob = Food, alcohol and tobacco

p = provisional

Euro area sub-indices with most important impacts

| COICOP | June 12 / June 11 | Weight (‰) 2012 | Rate (%) | Impact (percentage points) |
|---------|-----------------------------|--------------------|----------|-------------------------------|
| 07.22 | Fuels for transport | 48.5 | 5.0p | 0.13 |
| 04.52 | Gas | 18.3 | 8.8p | 0.11 |
| 02.20 | Tobacco | 23.4 | 6.4p | 0.10 |
| 04.51 | Electricity | 26.4 | 5.7p | 0.09 |
| 12.31 | Jewellery and watches | 5.9 | 10.4p | 0.04 |
| 04.55 | District heating | 6.8 | 10.1p | 0.04 |
| 09.13 | IT equipment | 5.1 | -5.8p | -0.04 |
| 12.62 | Financial services | 6.8 | -4.4p | -0.05 |
| 09.11 | Audio-visual equipment | 5.0 | -8.5p | -0.05 |
| 04.11/2 | Rents | 60.5 | 1.4p | -0.06 |
| 07.11 | Cars | 36.2 | 0.8p | -0.06 |
| 08.2/3 | Telecommunications | 29.8 | -3.0p | -0.17 |
| | June 12 / May 12 | | | |
| 01.16 | Fruit | 11.8 | 6.4p | 0.08 |
| 11.20 | Accommodation services | 16.5 | 1.8p | 0.03 |
| 07.33 | Air transport | 6.3 | 3.7p | 0.02 |
| 04.11/2 | Rents | 60.5 | 0.2p | 0.02 |
| 09.60 | Package holidays | 14.2 | 1.1p | 0.02 |
| 11.11 | Restaurants and cafés | 68.8 | 0.1p | 0.02 |
| 03.21/2 | Footwear | 13.6 | -0.6p | -0.01 |
| 09.33 | Gardens, plants and flowers | 6.1 | -1.3p | -0.01 |
| 01.17 | Vegetables | 14.0 | -1.1p | -0.01 |
| 04.53 | Heating oil | 8.9 | -4.3p | -0.04 |
| 03.12 | Garments | 50.7 | -1.4p | -0.07 |
| 07.22 | Fuels for transport | 48.5 | -3.0p | -0.16 |

Source: Eurostat

p = provisional

Measures of inflation

An *annual rate* measures the price change between the current month and the same month of the previous year. This measure is responsive to recent changes in price levels but can be influenced by one-off effects in either month.

A *12-month average rate* overcomes this volatility by comparing average Harmonised Indices of Consumer Prices (HICPs) in the latest 12 months to the average of the previous 12 months. This measure is less sensitive to transient changes in prices.

A *monthly rate* compares price levels between the two latest months. Although up-to-date, it can be affected by seasonal and other effects.

An *impact* of a particular component measures the change in the headline inflation due to the inclusion of that component in the HICP. The impact takes account of both the weight and whether the inflation for that component is higher or lower than the all-items inflation rate. For example, the impact of 'tobacco' is equal to the difference between the all-items inflation rate and the rate for 'all-items excluding tobacco'. Impacts are not strictly additive.

HICPs designed for international comparison

Harmonised Indices of Consumer Prices (HICPs) are harmonised inflation figures required under the Treaty on the Functioning of the European Union. They are designed for international comparison of consumer price inflation.

Price changes as measured by the HICPs, the Monetary Union Index of Consumer Prices (MUICP), the European Index of Consumer Prices (EICP) and the European Economic Area Index of Consumer Prices (EEAICP) are used as measures of inflation in the Member States in the European Union, in the euro area, and in the European Economic Area.

The MUICP is used by, among others, the European Central Bank (ECB) as a main indicator for monetary policy management for the euro area (see [ECB press release](#), 8 May 2003).

The Member States' HICPs are supplied by the National Statistical Institutes; the MUICP, EICP and EEAICP are compiled by Eurostat. HICPs are computed as annual chain indices allowing weights to be changed each year. HICP aggregates are calculated as weighted averages of the HICPs using the weights of the countries and sub-indices concerned. The weight of a country is its share of the household final monetary consumption expenditure in the total of the country group. For the MUICP this is expressed in euro, for the EICP and the EEAICP it is expressed in Purchasing Power Standards. The MUICP is treated as a single entity within the EICP and EEAICP starting from 1999.

Additional information

More information on HICPs can be obtained from the monthly publication *Data in focus, Economy and Finance on "Harmonised indices of consumer prices"*. About 100 MUICP, EICP, EEAICP and HICP sub-indices with corresponding weights are available in Eurostat's database. Further details can be found on the HICP section of the Eurostat website:

<http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction>.

Starting from 2012 a new regulation defining harmonised rules for deriving the weights for the HICP has been applied in the Member States. For further information on the change please see:

http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/documents_pub/HICP_weights_info_note.pdf

Future release dates

Scheduled publication dates for the coming months are:

| Index for | MUICP flash estimates | HICP News Releases |
|----------------|-----------------------|--------------------|
| July 2012 | 31 July 2012 | 16 August 2012 |
| August 2012 | 31 August 2012 | 14 September 2012 |
| September 2012 | 28 September 2012 | 16 October 2012 |

1. Euro area inflation is measured by the MUICP ('Monetary Union Index of Consumer Prices' as defined in Council Regulation (EC) No 2494/95 of 23 October 1995) which is the official euro area aggregate. The euro area initially included Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. Greece was included from 1 January 2001, Slovenia from 1 January 2007, Cyprus and Malta from 1 January 2008, Slovakia from 1 January 2009 and Estonia from 1 January 2011. New Member States are integrated into the MUICP using a chain index formula.
2. The MUICP flash estimate for June 2012, published on 29 June 2012, was 2.4%.
3. EU inflation is measured by the EICP ('European Index of Consumer Prices' as defined in Council Regulation (EC) No 2494/95 of 23 October 1995) which is the official EU aggregate. The EU included 15 Member States until April 2004, 25 Member States from May 2004 until December 2006 and 27 Member States from January 2007. New Member States are integrated into the EICP using a chain index formula.
4. Measure used to determine price stability in Convergence reports by the Commission to the Council.
5. Data for the United Kingdom for June 2012 were not available in time for publication. Due to this fact EU and EEA totals have been calculated using Eurostat estimates.

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