

Price Trends	Slovenian Economic Mirror	IMAD
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Price indices	2002		2003		
	Dec 2002/ Dec 2001	Φ (Jan-Dec 02)/ Φ (Jan-Dec 01)	Oct 03/ Sept 03	Oct 03/ Oct 02	Φ (Nov 02-Oct 03)/ Φ (Nov 01-Oct 02)
Consumer prices	107.2	107.5	100.3	104.8	105.9
Goods	106.4	106.3	100.7	104.3	105.4
Fuels and energy	106.4	104.2	99.7	100.7	103.8
Other	106.4	106.8	100.9	105.0	105.6
Services	109.4	110.7	99.5	106.2	107.5
Administered prices¹	109.5	110.7	99.8	102.3	105.0
Energy	106.2	106.1	99.6	100.4	104.3
Other	116.0	118.5	100.2	106.3	106.5
Core inflation					
Trimmean	106.9	106.6	100.1	105.6	106.2
Excluding food and energy	106.0	106.1	100.6	104.2	105.2
Producer prices	103.7	105.1	100.2	102.3	102.8
Intermediate goods	102.0	103.7	100.1	102.5	102.0
Investment goods	103.5	102.7	100.0	99.2	100.4
Consumer goods	105.9	107.5	100.2	102.9	104.6
Inflation in the EU-12					
Consumer prices	102.3	102.2	100.1	102.0	102.1
Excluding food, energy, tobacco, alcohol	102.2	102.4	100.2	101.7	101.9
Producer prices	101.5	99.9	100.0 ²	101.1 ²	101.6 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.

In **October**, consumer prices rose by **0.3% for the second month in a row**, while their year-on-year rise slowed down to 4.8% (7.2% in October last year). This slowing monthly price growth compared to the same months a year ago also helped average inflation levels to decline further, so October's average inflation was 1.6 percentage point less than a year ago.

As in the preceding two months, October's inflation was marked by **price changes which are under strong seasonal influence**. Two groups of products and services stood out: clothing and footwear, whose prices rose by 6.9% and added 0.6 of a percentage point to inflation, and recreation and culture, whose prices fell by 2.0% and reduced inflation by 0.2 of a percentage point (this resulted from 16.1% cheaper holidays).

Prices under **various regimes of regulation** fell by 2.0% as a result of lower prices of liquid fuels for transport and heating (down 0.4%). Movements in liquid fuel prices in Mediterranean commodity markets and the US dollar's exchange rate could have pushed pre-tax prices up, however, retail prices fell thanks to the cutting of excise duties on all four types of liquid fuel. Namely, the government continued to pursue a policy of counter-cyclical adjustment of excise duties, with the policy affecting price growth directly as well as holding inflationary expectations back. At the same time, the contribution of excise duties to inflation dropped and totalled just 0.5 of a percentage point in the first ten months of this year, as against the 1.7 percentage points seen a year ago.

Out of all groups of administered prices, the **prices of basic local utility services** again climbed in October. Their year-on-year rise was 8.9%, which makes it the only category of administered prices that exceeded the year-on-year rise in freely-floating prices.

The prices of basic local utility services also played a major role in maintaining the high level of year-on-year rise in administered prices of services. This rise slowed down by 16.0 percentage point this year and amounted to 7.9% in October, while the year-on-year rise in administered prices of goods declined by 5.1 percentage points to 0.8%. The rise in unregulated prices of services slowed down by 2.1 percentage points to 5.7% in October, while the unregulated prices of goods declined by 1.5 percentage points to 5.1%. The **gap between rises in services and goods prices** narrowed by 1.1 percentage points this year, which was mostly due to the slower rise in the prices of services under various regimes of regulation.

Graph: **Actual inflation and growth in consumer prices excluding administered prices and indirect taxes**

