

Price indices	2003		2004		
	Dec 2003/ Dec 2002	Φ (Jan-Dec 03)/ Φ (Jan-Dec 02)	Jan 04/ Dec 03	Jan 04/ Jan 03	Φ (Feb 03-Jan 04)/ Φ (Feb 02-Jan 03)
Consumer prices	104.6	105.6	100.4	104.0	105.4
Goods	103.9	105.0	100.2	103.0	104.9
Fuels and energy	103.6	103.5	99.9	101.4	102.9
Other	104.0	105.3	100.3	103.3	105.2
Services	106.5	106.9	100.8	106.4	106.8
Administered prices¹	104.0	104.4	100.3	103.8	104.9
Energy	103.5	103.5	99.9	101.2	102.7
Other	104.8	106.1	100.9	109.2	109.3
Core inflation					
Trimmean	104.2	105.9	100.5	104.1	105.7
Excluding food and energy	103.7	104.9	100.1	103.3	104.8
Producer prices	102.1	102.5	100.4	102.3	102.4
Intermediate goods	102.5	102.0	100.7	102.7	102.0
Investment goods	98.9	99.6	99.1	98.7	99.3
Consumer goods	102.4	104.1	100.5	102.8	103.8
Inflation in the EU-12					
Consumer prices	102.0	102.1	99.8	101.9	102.1
Excluding food, energy, tobacco, alcohol	101.6	101.8	99.3	101.7	101.7
Producer prices	101.0	101.5	99.9 ²	101.0 ²	101.5 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.

Consumer prices rose by **0.4% in January** (by 1.0% in January last year), thereby sustaining the relatively weak rise encountered in the last few months of 2003. The annual inflation rate declined to 4.0% while average inflation continued to slow down to amount to 5.4%.

As in the second half of 2003, January's price rise was mainly underpinned by **seasonal factors**, while the **prices of services began to rise faster** (see graph). The higher prices of food and non-alcoholic beverages added 0.4 of a percentage point to inflation, while the lower prices of clothing and footwear reduced inflation by 0.4 of a percentage point. The prices of alcoholic beverages and tobacco contributed 0.1 of a percentage point, resulting from the raising of excise duties on tobacco and tobacco products in early January, while the remaining 0.3 of a percentage point came from the higher prices of services. The gap between rises in goods and services prices totalled 3.4 percentage points in January.

These favourable price movements were chiefly due to the application of macroeconomic policy measures adopted last year. **Administered prices** still rose more slowly than freely-floating prices (up 3.8% and 4.3%, respectively) in line with the Plan of Raising Administered Prices. Excise duties on liquid fuels continued to be adjusted to prevent the volatility of retail prices, while the fall in other energy prices helped offset the rise in basic local utility service prices. In addition to non-profit rent, local utility services was the only group of administered prices to record a faster rise than freely-floating prices (up 7.5%). In general, prices were also held back by the slowing appreciation of the euro, resulting from the Bank of Slovenia's adjustment of its interest rates to the European Central Bank's interest rates on one hand, and the low price rises in Slovenia on the other.

Industrial producer prices rose about twice as fast in the last two months as in the second half of 2003, when growth was particularly low. Each month prices were mainly pushed up by relatively fast rises in the prices of intermediate goods, as well as by energy prices (mainly electricity) in December and commodity prices in January. Following the fall in the prices of investment goods, total industrial producer prices were still at a relatively low level of around 2.3%.

Graph: **Gap between rises in the prices of goods and services**

