

Price Trends

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Price indices	2003		2004		
	Dec 2003/ Dec 2002	Φ (Jan 03-Dec 03)/ Φ (Jan 02-Dec 02)	April 2004/ Mar 2004	April 2004/ April 2003	Φ (May 03-Apr 04)/ Φ (May 02-Apr 03)
Consumer prices	104.6	105.6	100.5	103.5	104.7
Goods	103.9	105.0	100.2	102.3	104.0
Fuels and energy	103.6	103.5	101.0	103.0	102.4
Other	104.0	105.3	100.0	102.2	104.3
Services	106.5	106.9	101.0	106.3	106.5
Administered prices¹	104.0	104.4	101.2	105.8	104.6
Energy	103.5	103.5	101.0	103.3	102.1
Other	104.8	106.1	101.7	111.2	110.1
Core inflation					
Trimmean	104.2	105.9	100.4	103.6	105.0
Excluding food and energy	103.7	104.9	100.4	103.1	104.1
Producer prices	102.1	102.5	100.6	104.0	102.7
Intermediate goods	102.5	102.0	100.7	106.2	103.0
Investment goods	98.9	99.6	100.4	101.0	99.5
Consumer goods	102.4	104.1	100.4	102.4	103.3
Inflation in the EU-12					
Consumer prices	102.0	102.1	100.4	102.0	101.9
Excluding food, energy, tobacco, alcohol	101.6	101.8	100.5	101.8	101.7
Producer prices	101.0	101.5	100.6 ²	100.4 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; ¹figures between years are not fully comparable because of changes introduced to the consumer price index in 2004, ²a figure for the previous month.

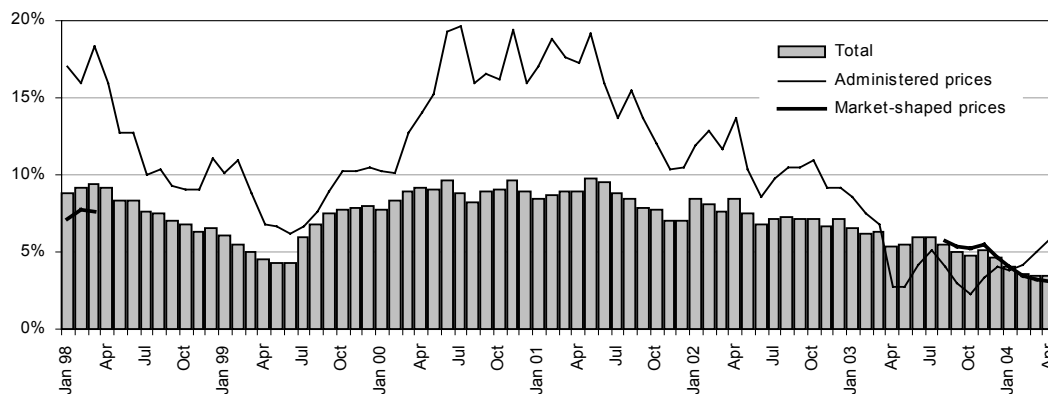
Consumer prices rose by 0.5% in April (for May's inflation see p. 3); prices were mostly influenced by the rise in the prices of clothing and footwear (0.2 of a percentage point) and the fall in the prices of food and non-alcoholic beverages (0.2 of a percentage point). In addition to seasonal factors, inflation was mainly fuelled by the prices of services: the groups of housing, furnishings and household equipment, recreation and culture, and hotels and restaurants each added 0.1 of a percentage point.

Annual inflation continued to fall despite the relatively fast price rises seen in March and April. After annual inflation fell in early 2003 chiefly due to keeping the rise in administered prices in line with the rise in market-shaped prices and due to eliminating fiscal changes with a characteristic impact on inflation, which affected a small group of prices, the rise in market-shaped prices also began to decline notably towards the end of the year. The rise in prices seen in the last twelve months (3.5%) was lower than the respective rise in the preceding twelve months (5.3%) in all groups of the consumer price index, except transport. A more balanced fall in prices is also revealed by the core inflation, which has declined in line with the measured inflation in the last few months, while the gap between the two rates has narrowed.

The only divergence from the trend of slowing price growth is the accelerated rise in **administered prices** (see graph), which re-emerged in the last six months, so administered prices rose about 50% more than market-shaped prices (3.1% year on year in April). This was fuelled by the rise in non-profit rent, going up by 27.0% in the last twelve months, and basic local utility services, going up by 12.9%, which in total added 0.5 of a percentage point to inflation. The prices of liquid fuels for transport and heating (up 3.3%) increased more in line with unregulated prices despite the rising oil and petroleum product prices (petrol prices rose by about 50% in Mediterranean commodity markets) chiefly thanks to the continued pursuing of the policy of adjusting excise duties.

Rises in commodity prices pushed **industrial producer prices** up. They climbed by 3.8% in March and 4.0% in April, overrunning the rise in consumer prices for the first time after 2001. The biggest increase was seen in energy prices (up 8.3% year on year) and commodity prices (5.3%), while the prices of consumer goods continued to decline.

Graph: Year-on-year rise in market-determined and administered prices



Source of data: SORS, calculations by the IMAD.