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Inflation petered out to 0.5 per cent in July

According to Statistics Finland, the year-on-year change in consumer prices, i.e. inflation, slowed down to 0.5 per cent in July. In June, inflation stood at 0.8 per cent. The slowing down was above all due to lower prices of all vegetables and to cuts in interest rates.

Higher price of electricity put consumer prices up by 0.2 percentage points year-on-year, as also did risen hotel and restaurant prices. The impact of rent increases on inflation amounted to just under 0.2 percentage points. Reduced interest rates curbed inflation by 0.6 percentage points, and lower prices of cars by 0.2 percentage points. Lower prices of vegetables and meat also kept consumer price increases in check.

From June to July, consumer prices fell by 0.5 per cent, mostly due to clothing sales.

Inflation indicators in Finland, July 2003

	Point figure	Change on one year	Change on one month
Consumer Price Index (2000=100)	104.6	0.5%	-0.5%
Cost of Living Index (1951:10=100)	1,570		
Harmonised Index of Consumer Prices (1996=100)	113.0	1.0%	-0.5%

Each mid-month, Statistics Finland interviewers collect around 50,000 prices on 492 commodities from approximately 3,500 outlets for the Consumer Price Index. In addition, some 1,000 items of price data are gathered by centralised collection.

According to preliminary data, inflation in EMU countries 1.9 per cent in July

According to preliminary data on the Harmonised Index of Consumer Prices, the rate of inflation in the member states of the EMU was 1.9 per cent in July. In June, it stood at 2.0 per cent. The corresponding figure for Finland in July was 1.0 per cent.

Eurostat's estimate on inflation in the EMU area is based on preliminary data published by certain member states and on the price development of energy. Eurostat will publish detailed data on the Harmonised Indices of Consumer Prices for July on 19 August.

Source: Consumer Price Index 2003, July. Statistics Finland