

Not to be released before 13 August 2004

(8.00 am Finnish time)

2004:177

Inquiries: Mr Timo Koskimäki +358 9 1734 3479, Mr Juhani Pekkarinen +358 9 1734 3476, Ms Mari Ylä-Jarkko +358 9 1734 3310

Director in charge: Mr Kari Molnar

Inflation accelerated to 0.3 per cent in July

According to Statistics Finland, the year-on-year change in consumer prices, i.e. inflation, rose to 0.3 per cent in July. The acceleration of inflation from June's -0.1 per cent was mainly due to higher prices of vegetables and halted fall in interest rates.

Consumer prices were brought up most in the year by higher prices of liquid fuels, by 0.4 percentage points, and by increased charges for cultural and leisure services, up by 0.2 percentage points. Rent increases and risen prices of dwellings and vegetables also had an impact on inflation. Inflation continued to be curbed by the lowering of alcohol tax in March. Telephone call charges also decreased and despite the diminished fall, interest rates were still clearly lower than one year before.

From June to July, consumer prices went down by 0.1 per cent, which was mainly due to seasonal sales of clothing.

Inflation indicators in Finland, July 2004

| | Point figure | Change on one year | Change on one month |
|--|--------------|--------------------|---------------------|
| Consumer Price Index (2000=100) | 105.0 | 0.3% | -0.1% |
| Cost of Living Index (1951:10=100) | 1,575 | | |
| Harmonised Index of Consumer Prices (1996=100) | 113.2 | 0.2% | -0.3% |

Each mid-month, Statistics Finland interviewers collect around 50,000 prices on 492 commodities from approximately 3,000 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 2.4 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 in July the same as in June, i.e. 2.4 per cent. The corresponding figure for Finland in July was 0.2 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 18 August.

Source: Consumer Price Index 2004, July. Statistics Finland