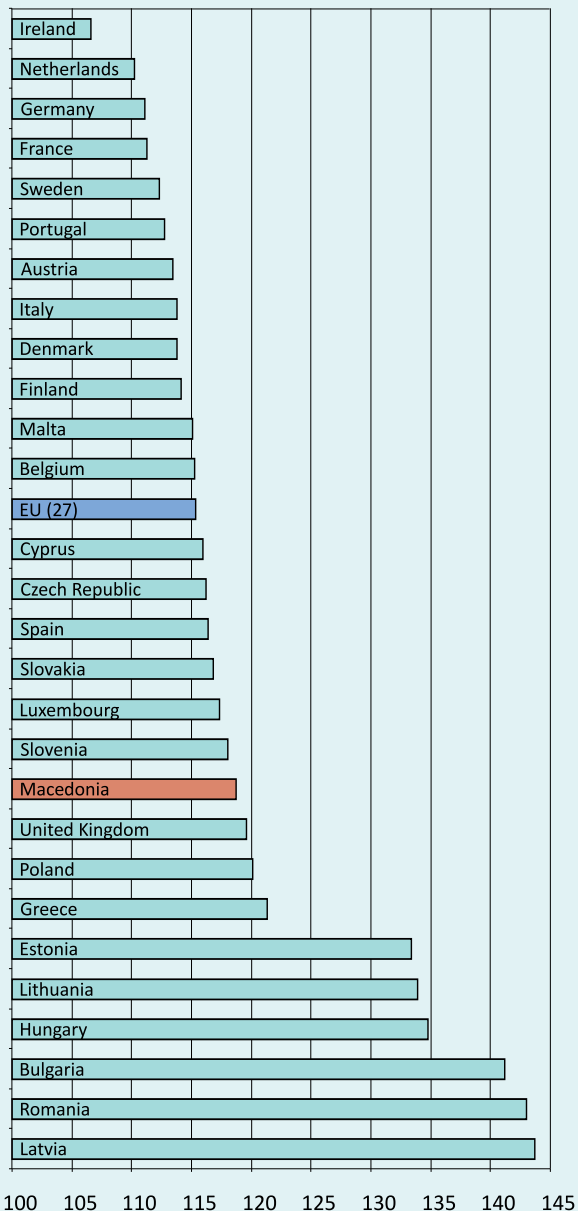


HICP - All items - 2011 annual average index (2005=100)



Data for Macedonia are based on experimental calculations

The impact of particular COICOP groups in the headline inflation in 2005, 2008 and 2011



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 State Statistical Office



Harmonised Index of Consumer Prices



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HICPs designed for international comparison

Harmonised Indices of Consumer Prices (HICPs) are harmonised inflation figures required under Article 121 of the Treaty of Amsterdam (109j of the Treaty on European Union). They are designed for international comparison of consumer price inflation. The focus is on quality and comparability among the indices of different countries as well as on their relative movements.

The Harmonised Index of Consumer Prices (HICP) is a central indicator that is used to determine price stability in the convergence reports as required by the Treaty and for ECB's monetary policy for the euro-zone. The HICP is computed as an annual chain index allowing weights to be changed each year.

It is of major importance that the Republic of Macedonia is closely associated to the same process of quality improvement as the existing Member States. The effective implementation of the general basic index, as well as the implementation of certain technically difficult issues (elements such as quality and seasonal adjustments, sampling issues and detailed product classification), is crucial to ensure sufficient quality and comparability of the national HICPs in the future. To improve the quality of the HICPs in the Republic of Macedonia, especially in the areas mentioned above, and to implement these new measures, the country received support with regard to transfer of knowledge by an external expert, which will be implemented in the work of the State Statistical Office.

Measures of inflation

The *annual rate* measures the price change between the current month and the same month of the previous year. This measure is responsive to recent changes in price levels but can be influenced by one-off effects in either month.

The *12-month average rate* overcomes this volatility by comparing average Harmonised Indices of Consumer Prices (HICPs) in the latest 12 months to the average of the previous 12 months. This measure is less sensitive to transient changes in prices.

The *monthly rate* compares price levels between the two latest months. Although up-to-date, it can be affected by seasonal and other effects.

The *impact* of a particular component measures the change in the headline inflation due to the inclusion of that component in the HICP. The impact takes account of both the weight and whether the inflation for that component is higher or lower than the all-items inflation rate.

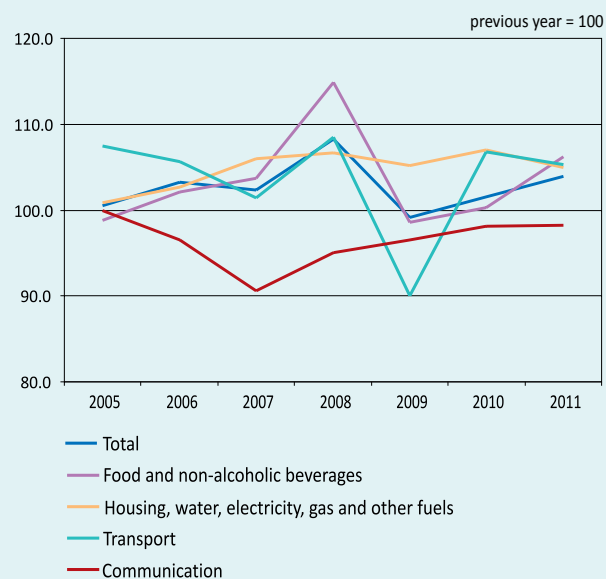
The data on retail prices of goods and services are a result of the regular monitoring of prices, including agricultural and industrial retail prices, as well as retail prices of services. The prices of industrial products and services are monitored once per month, while agricultural products are monitored twice per month. Retail prices of about 600 products and services are monitored in 8 cities of the Republic of Macedonia. Only products with significant participation in the retail turnover are taken into consideration when selecting the products for price monitoring.

Average monthly retail prices in the Republic of Macedonia are obtained by applying a weighted arithmetical mean, whereby average prices in particular cities are weighted with the sold quantity of particular goods in those cities. The average annual prices of agricultural products and of industrial products and services are obtained by applying an arithmetical average of the prices over a period of 12 months.

Consumer Price Index by COICOP

	2005 = 100					
	2006	2007	2008	2009	2010	2011
TOTAL	103.2	105.6	114.3	113.4	115.2	119.7
Food and non-alcoholic beverages	102.1	105.9	121.6	120.0	120.3	127.7
Alcoholic beverages, tobacco	123.9	126.7	132.0	136.4	137.1	138.6
Clothing and footwear	100.2	102.0	103.9	103.8	104.6	106.1
Housing, water, electricity, gas and other fuels	102.7	108.9	116.1	122.1	130.6	137.2
Furnishings, household equipment and maintenance	100.1	100.2	103.4	103.9	104.2	105.2
Health	101.7	101.2	98.6	101.5	102.4	106.3
Transport	105.6	107.1	116.1	104.5	111.6	117.5
Communication	96.5	87.4	83.0	80.2	78.6	77.3
Recreation and culture	103.7	104.3	104.1	99.7	100.3	99.4
Education	108.3	109.7	110.8	112.5	109.2	102.9
Restaurants and hotels	102.3	106.6	118.2	120.8	120.5	122.8
Miscellaneous goods and services	106.0	109.6	112.3	112.2	113.0	115.7

Annual Consumer Price Index by COICOP, by certain groups, 2005-2011



Consumer Price Index¹⁾

	2005	2006	2007	2008	2009	2010	2011
100	100	103.2	105.6	114.3	113.4	115.2	119.7
96.9	100	102.3	110.8	109.9	111.6	116.0	116.0
94.7	97.8	100	108.3	107.4	109.1	113.4	113.4
87.5	90.3	92.3	100	99.2	100.8	104.7	104.7
88.2	91.0	93.1	100.8	100	101.6	105.6	105.6
86.8	89.6	91.6	99.2	98.4	100	103.9	103.9
83.5	86.2	88.2	95.5	94.7	96.2	100	100

1) Data are to be read only horizontally

Level of Consumer Price Index, 2005 - 2011 (compared with same month of previous year)

	2005	2006	2007	2008	2009	2010	2011
January	98.6	102.8	100.8	108.7	101.7	100.1	103.2
February	100.0	102.6	100.5	109.6	100.7	100.6	103.9
March	100.2	102.8	100.8	110.2	100.2	100.7	105.2
April	100.6	103.2	101.0	110.1	99.5	101.4	104.8
May	100.7	104.1	100.9	109.5	100.4	100.2	105.2
June	101.4	103.0	101.3	110.1	98.3	101.8	104.1
July	100.7	103.8	101.3	109.5	98.7	101.5	103.8
August	100.5	104.0	102.2	108.6	98.6	101.9	103.6
September	101.1	103.1	103.6	107.1	98.6	102.0	103.4
October	100.9	102.6	103.9	107.1	97.6	102.7	103.3
November	100.2	103.7	104.6	105.2	97.7	102.9	103.5
December	101.2	102.9	106.1	104.1	98.4	103.0	102.8