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## Inflation declined to 0.2 per cent in January

According to Statistics Finland, the year-on-year change in consumer prices, i.e. inflation, slowed to 0.2 per cent in January. In December it was 0.6 per cent. The slowing was mostly due to decreased prices of petrol and telephone call charges from the year before.

Inflation was primarily controlled by cuts in interest rates, which reduced consumer prices by 0.6 percentage points. The impact of lower prices of petrol and call charges was good 0.2 percentage points. Fallen prices of flights and used cars likewise slowed down inflation. Increased prices of food put consumer prices up by most in the year, by 0.3 percentage points. Higher prices of electricity and hotel and restaurant prices also had an effect on inflation.

From December to January, consumer prices fell by 0.3 per cent. This was chiefly due to the starting of seasonal clothing sales but prices of package tours also declined.

### Inflation indicators in Finland, January 2004

	Point figure	Change on one year	Change on one month
Consumer Price Index (2000=100)	104.8	0.2%	-0.3%
Cost of Living Index (1951:10=100)	1,572		
Harmonised Index of Consumer Prices (1996=100)	113.4	0.8%	-0.3%

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 2.0 per cent in January

According to preliminary data on the Harmonised Index of Consumer Prices, the rate of inflation in the member states of the EMU was 2.0 per cent in January, which is the same as in December 2003. The corresponding figure for Finland in January was 0.8 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 January on 27 February.

**Source: Consumer Price Index 2004, January. Statistics Finland**