

126/2014 - 14 August 2014

July 2014

Euro area annual inflation down to 0.4%

EU down to 0.6%

Euro area¹ annual inflation was 0.4% in July 2014², down from 0.5% in June. This is the lowest annual inflation rate since October 2009. In July 2013 the rate was 1.6%. Monthly inflation was -0.7% in July 2014.

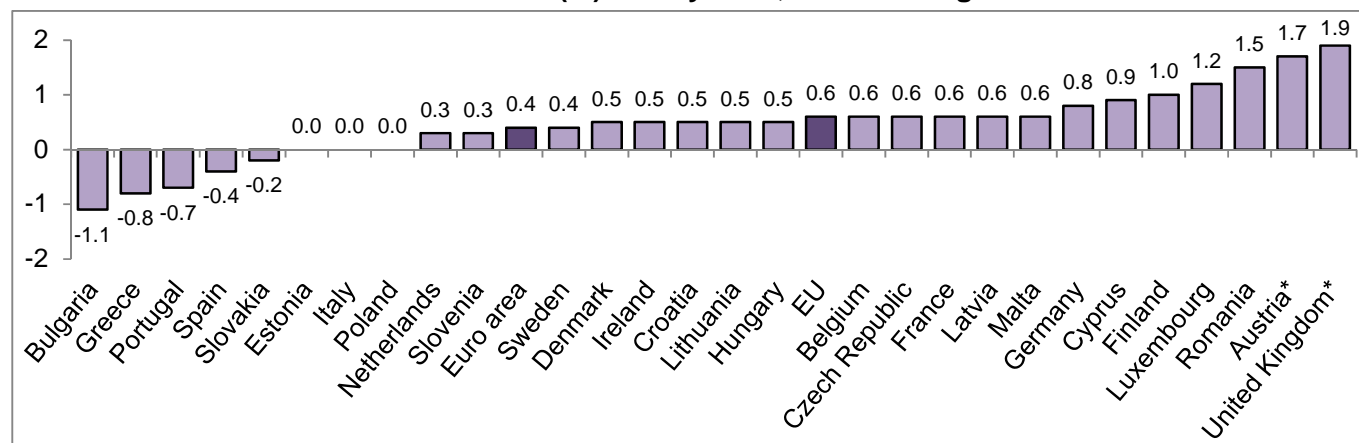
European Union¹ annual inflation was 0.6% in July 2014, down from 0.7% in June. A year earlier the rate was 1.7%. Monthly inflation was -0.5% in July 2014.

These figures come from **Eurostat, the statistical office of the European Union**.

In July 2014, negative annual rates were observed in **Bulgaria** (-1.1%), **Greece** (-0.8%), **Portugal** (-0.7%), **Spain** (-0.4%) and **Slovakia** (-0.2%). The highest annual rates were recorded in **Austria** (1.7%), **Romania** (1.5%) and **Luxembourg** (1.2%). Compared with June 2014, annual inflation fell in thirteen Member States, remained stable in six and rose in eight.

The largest upward impacts to **euro area** annual inflation came from restaurants & cafés (+0.08 percentage points), rents (+0.06 pp) and maintenance of vehicles (+0.05 pp), while fruit (-0.13 pp), vegetables and telecommunications (-0.11 pp each) had the biggest downward impacts.

Annual inflation (%) in July 2014, in ascending order



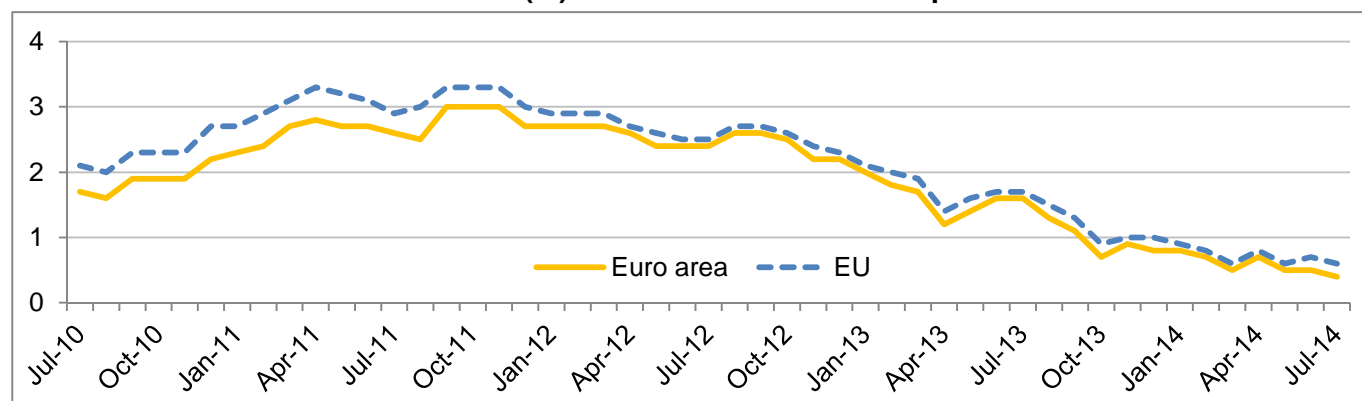
* Data for Austria are provisional. Data for the United Kingdom are for June 2014.

Inflation rates³ in %, measured by HICPs

	Annual rate					12 month average rate*	Monthly rate
	Jul 14	Jun 14	May 14	Apr 14	Jul 13	Jul 14	Jul 14
Belgium	0.6	0.7	0.8	0.9	1.6	0.9	-1.3
Germany	0.8	1.0	0.6	1.1	1.9	1.1	0.3
Estonia	0.0	0.4	0.6	0.8	3.9	1.5	-0.2
Ireland	0.5	0.5	0.4	0.4	0.7	0.2	-0.1
Greece	-0.8	-1.5	-2.1	-1.6	-0.5	-1.5	-1.0
Spain	-0.4	0.0	0.2	0.3	1.9	0.3	-1.5
France	0.6	0.6	0.8	0.8	1.2	0.8	-0.4
Italy	0.0	0.2	0.4	0.5	1.2	0.6	-2.1
Cyprus	0.9	0.0	-0.1	-0.4	0.7	-0.5	-0.3
Latvia	0.6	0.8	0.8	0.8	0.5	0.3	-0.2
Luxembourg	1.2	1.2	1.4	0.9	1.8	1.2	-1.0
Malta	0.6	0.7	0.4	0.5	0.9	0.8	0.0
Netherlands	0.3	0.3	0.1	0.6	3.1	1.0	0.3
Austria	1.7p	1.7	1.5	1.6	2.1	1.6p	-0.7p
Portugal	-0.7	-0.2	-0.3	-0.1	0.8	-0.1	-0.6
Slovenia	0.3	1.0	1.0	0.5	2.8	0.9	-1.0
Slovakia	-0.2	-0.1	0.0	-0.2	1.6	0.3	-0.2
Finland	1.0	1.1	1.0	1.3	2.5	1.5	-0.1
Euro area	0.4p	0.5	0.5	0.7	1.6	0.7p	-0.7p
Bulgaria	-1.1	-1.8	-1.8	-1.3	0.0	-1.4	0.6
Czech Republic	0.6	0.0	0.5	0.2	1.4	0.6	0.2
Denmark	0.5	0.4	0.3	0.5	0.4	0.4	-0.2
Croatia	0.5	0.5	0.4	-0.1	2.7	0.6	0.1
Lithuania	0.5	0.3	0.1	0.3	0.6	0.4	-0.5
Hungary	0.5	-0.1	0.0	-0.2	1.7	0.6	0.2
Poland	0.0	0.3	0.3	0.3	0.9	0.5	-0.2
Romania	1.5	0.9	1.3	1.6	3.4	1.4	0.0
Sweden	0.4	0.5	0.1	0.3	0.8	0.3	-0.3
United Kingdom ⁴	:	1.9	1.5	1.8	2.8	:	:
EU	0.6p	0.7	0.6	0.8	1.7	0.9p	-0.5p
Iceland	2.3	1.3	1.1	1.3	4.2	2.3	0.3
Norway	2.2	1.8	1.6	1.5	2.8	2.1	0.9
Switzerland	-0.1	-0.1	0.2	0.1	0.5	0.1	0.0

Source: Eurostat p = provisional : = not available
 * Average HICP of latest 12 months/average HICP of preceding 12 months.

Annual inflation (%) in the euro area and European Union



Euro area inflation rates in % for selected aggregates

Euro area	Weight (%)	Annual rate					12-month average rate	Monthly rate
		2014	Jul 14	Jun 14	May 14	Apr 14	Jul 13	Jul 14
All-items	1000.0	0.4p	0.5	0.5	0.7	1.6	0.7p	-0.7p
All-items excluding:								
> energy	891.9	0.5p	0.5	0.6	0.9	1.6	1.0p	-0.7p
> energy, food, alcohol & tobacco	694.4	0.8p	0.8	0.7	1.0	1.1	0.9p	-0.8p
> energy, unprocessed food	817.1	0.8p	0.8	0.8	1.1	1.3	1.0p	-0.7p
> energy, seasonal food	853.5	0.8p	0.8	0.8	1.1	1.4	1.0p	-0.7p
> tobacco	976.1	0.3p	0.4	0.4	0.6	1.5	0.7p	-0.7p
Energy	108.1	-1.0p	0.1	0.0	-1.2	1.6	-1.0p	-0.2p
Food, alcohol and tobacco	197.6	-0.3p	-0.2	0.1	0.7	3.5	1.3p	-0.2p
Non-energy industrial goods	266.6	0.0p	-0.1	0.0	0.1	0.4	0.2p	-3.7p
Services	427.8	1.3p	1.3	1.1	1.6	1.4	1.3p	0.9p

Source: Eurostat

p = provisional

Sub-indices with largest impacts on euro area annual inflation⁵

Sub-index		Weight (%)	Annual rate	Impact (percentage points)
		2014	Jul 14	Jul 14
11.11	Restaurants and cafés	68.6	1.5p	0.08
04.11/2	Rents	62.3	1.3p	0.06
07.23	Maintenance of vehicles	28.3	2.2p	0.05
08.2/3	Telecommunications	29.0	-3.3p	-0.11
01.17	Vegetables	15.6	-6.6p	-0.11
01.16	Fruit	12.1	-9.3p	-0.13

Source: Eurostat

p = provisional

1. The euro area and European Union data refer to the respective country compositions at a specific point in time. New Member States are integrated into the aggregates using a chain index formula.
2. The euro area flash estimate for July 2014, published on 31 July 2014, was 0.4%.
3. An *annual rate* measures the price change between a month and the same month of the previous year. A *12-month average rate* compares the average Harmonised Indices of Consumer Prices (HICPs) of the latest 12 months to the average of the preceding 12 months. A *monthly rate* compares price levels between the two latest months.
4. Data for the United Kingdom for July 2014 were not available in time for publication. Due to this fact the EU totals have been calculated using Eurostat estimates.
5. An *impact* is a measure showing the change in the inflation due to the inclusion of a sub-index. The impact takes account of both the weight and whether the inflation for that sub-index is higher or lower than the all-items inflation rate.

More information can be found in the [HICP dedicated section on Eurostat's website](#) and in the Statistics Explained article on the [inflation in the euro area](#).

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