

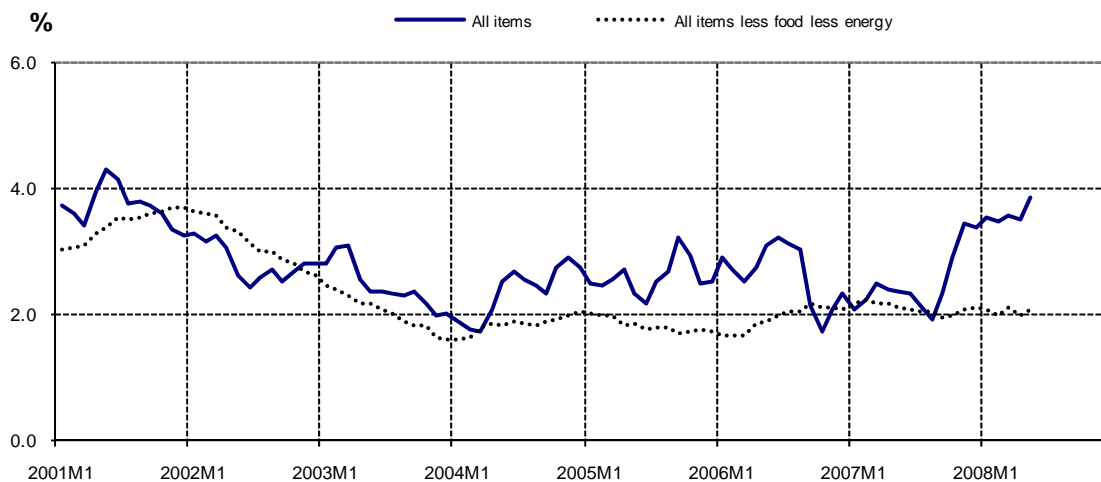
News Release

Annual inflation in the OECD rises to 3.9% in May 2008

Consumer prices in the **OECD area** rose by 3.9% in the year to May 2008, compared with 3.5% in the year to April 2008. This constitutes the highest inflation rate since June 2001. On a monthly basis, the price level rose by 0.7% in May, compared with 0.5% in April.

Consumer prices for energy were up by 14.6% year-on-year in May, as against 12.4% in April and consumer prices for food by 6.1% compared with 5.7% in April. Excluding food and energy, consumer prices rose by 2.1% in the year to May, compared with 2.0% in April.

Consumer prices, OECD-Total¹
Percentage change on the same month of the previous year



In the **euro area**, the Harmonised Index of Consumer Prices (HICP) was up by 3.7% in the year to May, compared with 3.3% in the year to April. Month-on-month, the HICP in the euro area increased by 0.6% between April and May, after a rise of 0.3% between March and April. Excluding food and energy, the year-on-year rise in the HICP in the euro area amounted to 1.7% in May, compared with 1.6% in April.

In the **United States**, the Consumer Price Index (CPI) increased by 4.2% over the year to May, compared with 3.9% in the year to April.

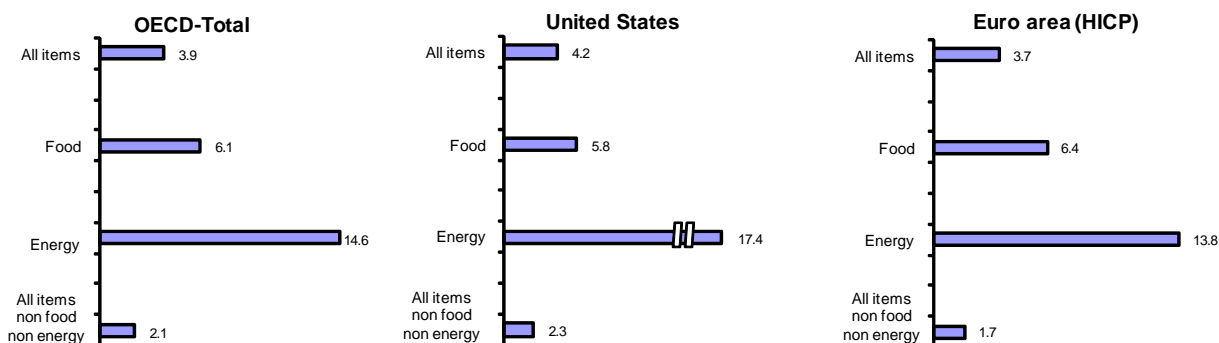
In **Japan**, consumer prices were up by 1.3% year-on-year in May, as against 0.8% in April.

Over the year to May, consumer prices rose by 3.6% in **Italy**, 3.3% in **France** and in the **United Kingdom**, 3.0% in **Germany** and 2.2% in **Canada**.

¹ Data related to the graph can be found at the following address: <http://www.oecd.org/dataoecd/27/53/37211080.xls>

Consumer prices, selected items

May 2008, percentage change on the same month of the previous year



	All items		Food	Energy	All items non food non energy
	CPI	HICP	CPI	CPI	CPI
OECD-Total	3.9		6.1	14.6	2.1
G7	3.5		5.5	15.2	1.7
European Union (HICP)		4.0	7.2	13.3	1.9
Euro area (HICP)		3.7	6.4	13.8	1.7
Australia¹	4.2		6.1	15.2	2.9
Austria	3.7	3.8	6.9	15.8	1.7 e
Belgium	5.2	5.1	7.6	26.5	1.5
Canada	2.2		1.8	11.5	0.8
Czech Republic	6.9	6.8	10.6	9.6	5.6
Denmark	3.4	3.6	8.1	8.8	1.8
Finland	4.2	4.1	9.5	16.3	2.3
France	3.3	3.7	6.0	15.2	1.2
Germany	3.0	3.1	7.5	12.8	1.1
Greece	4.9	4.9	6.6	18.0	3.1
Hungary	7.0	6.9	14.0	13.1	3.6
Iceland	12.3	11.7	15.3	25.5	10.8
Ireland	4.7	3.7	7.8	9.2	3.8
Italy	3.6	3.7	5.8	12.8	2.3
Japan	1.3		2.6	10.5	0.0
Korea	4.9		4.7	17.2	3.3
Luxembourg	4.0	4.8	6.0	19.8	2.0
Mexico	4.9		8.8	5.3	3.7
Netherlands	2.3	2.1	6.3	4.0	1.6
New Zealand¹	3.4		5.4	13.9	1.9
Norway	3.1	2.8	4.7	12.8	1.4
Poland	4.3	4.3	6.3	9.5	1.8
Portugal	2.8	2.8	3.9	10.1	1.5
Slovak Republic	4.6	4.0	9.5	3.9	3.2
Spain	4.6	4.7	6.7	16.5	2.2
Sweden	4.0	3.9	7.9	10.9	2.3
Switzerland	2.9	2.6	3.3	17.7	1.4
Turkey	10.7		15.7	16.6	7.3
United Kingdom²	3.3		7.9	15.6	1.5
United States	4.2		5.8	17.4	2.3

¹ Percentage change Q1 2007 to Q1 2008

e: OECD estimates

² Memorandum item: the UK Retail Price Index (all items) rose by 4.3% in the year to May 2008.

Differences from standard definition (see last page):

All items less food less energy: for the United States excludes restaurant meals; for the HICP Euro area excludes alcoholic beverages and tobacco.

Consumer prices, All items

Indices, Reference year 2000=100

	2006	2007	2007								2008				
	Average		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
OECD-Total	117.8	120.7	120.8	120.9	120.9	120.9	121.2	121.7	122.3	122.5	122.7	123.1	124.0	124.6	125.5
G7	112.5	115.0	115.2	115.3	115.3	115.3	115.5	115.8	116.3	116.4	116.7	117.0	117.8	118.3	119.2
Euro area (HICP)	114.0	116.5	116.5	116.6	116.3	116.4	116.8	117.4	118.0	118.5	118.0	118.5	119.6	120.0	120.8
European Union (HICP)	115.7	118.4	118.4	118.5	118.2	118.4	118.8	119.4	120.0	120.5	120.3	120.8	121.8	122.3	123.1
Canada	114.4	116.9	117.5	117.3	117.4	117.1	117.3	117.0	117.3	117.4	117.2	117.6	118.1	119.0	120.2
France	111.8	113.4	113.4	113.5	113.2	113.7	113.8	114.1	114.7	115.1	115.0	115.2	116.1	116.5	117.1
Germany	109.6	112.1	111.8	111.8	112.4	112.3	112.4	112.7	113.3	113.9	113.6	114.1	114.7	114.5	115.1
Italy	115.1	117.2	116.8	117.1	117.4	117.6	117.6	117.9	118.4	118.7	119.2	119.5	120.1	120.4	121.0
Japan	98.1	98.1	98.2	98.0	97.9	98.4	98.4	98.7	98.5	98.7	98.5	98.3	98.8	98.7	99.5
United Kingdom	110.0	112.5	112.6	112.8	112.2	112.5	112.6	113.2	113.5	114.1	113.4	114.2	114.7	115.6	116.4
United States	117.1	120.4	120.8	121.0	121.0	120.7	121.1	121.3	122.1	122.0	122.6	122.9	124.0	124.8	125.8

Consumer prices, All items

Percentage change on previous month

	2007								2008				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
OECD-Total	0.4	0.1	0.0	0.0	0.3	0.4	0.5	0.2	0.2	0.3	0.7	0.5	0.7
G7	0.4	0.1	0.0	0.0	0.2	0.2	0.4	0.1	0.2	0.3	0.7	0.4	0.8
Euro area (HICP)	0.2	0.1	-0.2	0.1	0.4	0.5	0.5	0.4	-0.4	0.3	1.0	0.3	0.6
European Union (HICP)	0.3	0.1	-0.3	0.1	0.4	0.5	0.5	0.4	-0.2	0.4	0.8	0.4	0.6
Canada	0.4	-0.2	0.1	-0.3	0.2	-0.3	0.3	0.1	-0.2	0.4	0.4	0.8	1.0
France	0.3	0.1	-0.2	0.4	0.1	0.2	0.5	0.4	-0.1	0.2	0.8	0.3	0.5
Germany	0.0	0.0	0.6	-0.1	0.1	0.3	0.5	0.6	-0.3	0.5	0.5	-0.2	0.6
Italy	0.3	0.2	0.2	0.2	0.0	0.3	0.4	0.3	0.4	0.2	0.5	0.2	0.5
Japan	0.3	-0.2	-0.1	0.5	0.0	0.3	-0.2	0.2	-0.2	-0.2	0.5	-0.1	0.8
United Kingdom	0.3	0.2	-0.6	0.3	0.1	0.5	0.3	0.6	-0.7	0.8	0.4	0.8	0.7
United States	0.6	0.2	0.0	-0.2	0.3	0.2	0.6	-0.1	0.5	0.3	0.9	0.6	0.8

Consumer prices, All items

Percentage change on the same month of the previous year

	2006	2007	2007								2008				
	Average		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
OECD-Total	2.6	2.5	2.4	2.3	2.1	1.9	2.3	2.9	3.4	3.4	3.5	3.5	3.6	3.5	3.9
G7	2.4	2.2	2.1	2.0	1.9	1.6	2.1	2.7	3.3	3.2	3.3	3.2	3.2	3.1	3.5
Euro area (HICP)	2.2	2.1	1.9	1.9	1.8	1.7	2.1	2.6	3.1	3.1	3.2	3.3	3.6	3.3	3.7
European Union (HICP)	2.3	2.4	2.1	2.2	2.0	1.9	2.3	2.7	3.1	3.2	3.4	3.5	3.7	3.6	4.0
Canada	2.0	2.1	2.2	2.2	2.2	1.7	2.5	2.4	2.5	2.4	2.2	1.8	1.4	1.7	2.2
France	1.7	1.5	1.1	1.2	1.1	1.2	1.5	2.0	2.4	2.6	2.8	2.8	3.2	3.0	3.3
Germany	1.6	2.3	2.1	1.9	2.1	2.2	2.7	2.8	3.2	3.1	2.8	2.8	3.1	2.4	3.0
Italy	2.1	1.8	1.5	1.7	1.6	1.6	1.7	2.1	2.4	2.6	3.0	2.9	3.3	3.3	3.6
Japan	0.2	0.1	0.0	-0.2	0.0	-0.2	-0.2	0.3	0.6	0.7	0.7	1.0	1.2	0.8	1.3
United Kingdom	2.3	2.3	2.5	2.4	1.9	1.7	1.7	2.0	2.1	2.1	2.2	2.5	2.4	3.0	3.3
United States	3.2	2.9	2.7	2.7	2.4	2.0	2.8	3.5	4.3	4.1	4.3	4.0	4.0	3.9	4.2

Methodological Notes

Four variables are available for all OECD countries and can be aggregated into zone areas: namely CPI-All items; CPI-Food excluding restaurant meals (COICOP 01); CPI-Energy [Electricity, gas and other fuel (COICOP 04.5) plus Fuel and lubricants for personal transport equipment (COICOP 07.2.2)]; CPI-All items less Food less Energy (food and energy as defined above).

Results reflect national CPIs. In most instances, CPIs are compiled in accordance with international statistical guidelines and recommendations. However, national practices may differ in the coverage and treatment of certain items and in the use of index number formulas. In particular, country methodologies for the treatment of owner-occupied housing in the CPI vary significantly and carry large weights in the index. The European Harmonised Indices of Consumer Prices (HICP) exclude owner-occupied housing as do national CPIs for Belgium, France, Greece, Italy, Luxembourg, Poland, Portugal, Spain and the United Kingdom. HICPs are therefore shown for comparison under the all items column in the first table. For the United Kingdom the national CPI is the same as the HICP.

For the United Kingdom, the Retail Price Index is shown as a memorandum item (footnote 2). It differs in coverage and methodology from the national CPI/HICP. In particular, the RPI includes an estimate of costs of owner-occupied housing and is based on an index number formula that leads to average inflation rates that are approximately 0.5 percentage points per annum higher relative to the formula in the CPI/HICP. Further information is available on the ONS website at: <http://www.statistics.gov.uk/>.

CPI data for zones, based on national indices are annual chain-linked Laspeyres indices. The weights for each individual link are based on the previous year's households private final consumption expenditure using National Accounts data based on the 1993 System of National Accounts (SNA 93). The euro area CPI refers to the HICP published by Eurostat and covers the thirteen euro area countries for the entire period of the time series.

Provisional data are based on press releases by National Statistical Offices which are sometimes rounded to one-digit decimals. Final data transmitted to OECD is more complete and this may lead to differences.

The **OECD-Total** covers the 30 OECD Member countries: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

The **G7 area** covers Canada, France, Germany, Italy, Japan, United Kingdom and United States.

The **euro area** covers the following 15 countries: Austria, Belgium, Cyprus¹, Finland, France, Germany, Greece, Italy, Ireland, Luxembourg, Malta, the Netherlands, Portugal, Slovenia and Spain.

The **European Union** refers to the current composition of the European Union (27 countries) for the entire period of the time series.

Detailed information on consumer price indices is available at [Comparative Methodological Analysis: Consumer and Producer Price Indices \(OECD, 2002\)](#).

More data on OECD member countries are available on the [Statistics Portal](#).

This news release can be found on the [OECD website](#).

Contacts:

For further information journalists are invited to contact the OECD's Media Relations Division on (33) 1 45 24 97 00 or e-mail news.contact@oecd.org.

Next release: 29 July 2008.

¹*Footnote by Turkey:* "The information in this document with reference to « Cyprus » relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the 'Cyprus issue'".

Footnote by all the European Union Member States of the OECD and the European Commission: "The Republic of Cyprus is recognized by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus".