

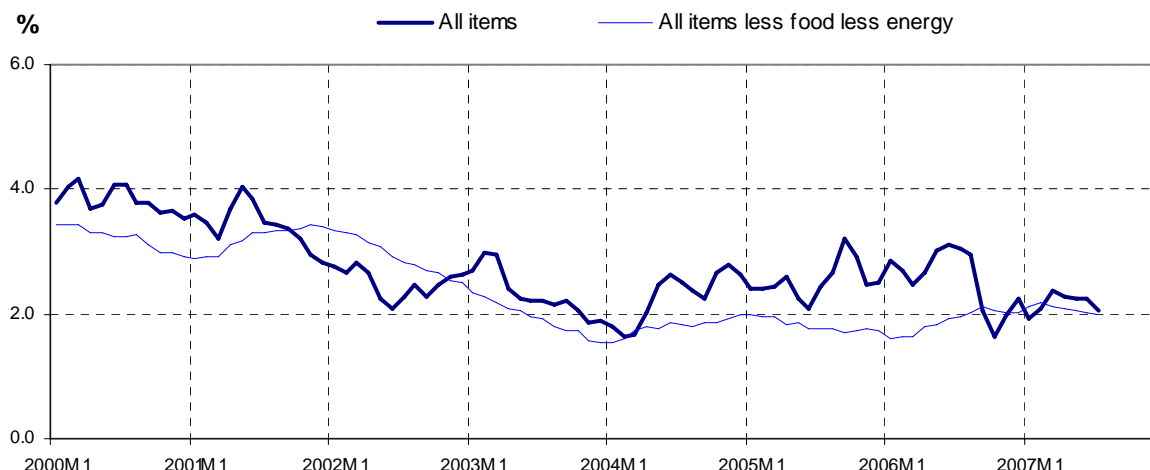
News Release

Annual inflation in the OECD area eased to 2.0% year-on-year in July 2007

Consumer price inflation in the **OECD area** fell to 2.0% in the year to July 2007 from 2.2% in the year to June 2007. On a monthly basis, the price level remained stable in July after a 0.1% increase between May and June 2007.

Consumer prices for energy rose by 0.8% year-on-year in July, compared with 2.9% in June. Consumer prices for food were up by 3.4% year-on-year in July, unchanged compared with June. Excluding food and energy, consumer prices rose by 2.0% in the year to July, unchanged compared with June 2007.

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 1.8% in the year to July, compared with 1.9% in the year to June 2007. Month-on-month, the HICP in the euro area was down by 0.2% between June and July after a rise by 0.1% between May and June 2007. Excluding food and energy, the year-on-year rise in the HICP in the euro area amounted to 1.9% in July, unchanged compared with June.

In the **United States**, the Consumer Price Index (CPI) increased by 2.4% over the twelve months to July, compared with 2.7% in the year to June 2007.

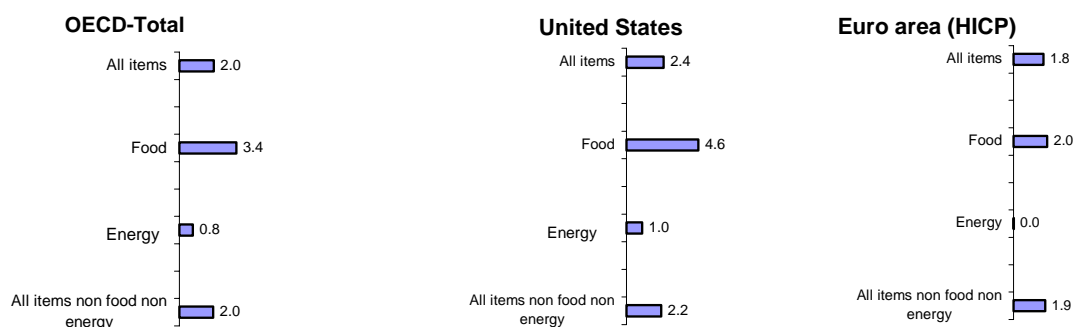
In **Japan**, consumer prices remained stable year-on-year in July after a decrease of 0.2% in June.

Over the twelve months to July, consumer prices rose by 2.2% in **Canada**, 1.9% in **Germany** and in the **United Kingdom**, 1.6% in **Italy** and 1.1% in **France**.

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

July 2007, 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	2.0		3.4	0.8	2.0
G7	1.8		3.2	0.8	1.7
European Union (HICP)		2.0	2.6	0.8	1.9
Euro area (HICP)		1.8	2.0	0.0	1.9
Australia¹	2.1		1.6	-1.7	2.5
Austria	2.1	2.0	3.5	3.6	1.8
Belgium	1.4	1.3	3.6	-4.0	1.7
Canada	2.2		2.5	-1.7	2.8
Czech Republic	2.5	2.5	2.5	0.3	2.9
Denmark	1.2	1.1	2.4	-1.8	1.5
Finland	2.6	1.6	2.5	-1.1	2.9
France	1.1	1.2	0.8	-0.6	1.4
Germany	1.9	2.0	1.9	1.5	2.0
Greece	2.5	2.7	2.7	-2.9	3.1
Hungary	8.4	8.3	9.9	14.5	6.6
Iceland	3.8	2.6	-4.3	-2.1	5.9
Ireland	5.0	2.7	2.6	3.7	5.5
Italy	1.6	1.7	2.4	-1.7	1.7
Japan	0.0		0.6	1.3	-0.3
Korea	2.5		3.6	1.1	2.5
Luxembourg	1.9	2.0	2.7	-1.1	2.0
Mexico	4.1		7.7	3.8	3.1
Netherlands	1.5	1.4	0.5	0.0	1.7
New Zealand¹	2.0		4.2	-2.0	2.1
Norway	0.4	0.7	3.0	-12.2	2.2
Poland	2.2	2.5	4.1	3.2	1.1
Portugal	2.4	2.3	1.8	1.6	2.7
Slovak Republic	2.3	1.2	2.4	0.4	2.9
Spain	2.2	2.3	2.6	-1.2	2.5
Sweden	1.9	1.4	1.4	-2.9	2.6
Switzerland	0.7		0.3	0.2	0.8
Turkey	6.9		9.2	1.8	6.9
United Kingdom²		1.9	2.8	0.8	1.7
United States	2.4		4.6	1.0	2.2

¹ Percentage change Q2 2006 to Q2 2007

e: OECD estimates

² Memorandum item: the UK Retail Price Index (all items) rose by 3.8% in the year to July 2007.

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

	2005	2006	2006						2007						
	Average		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
OECD-Total	113.8	116.7	117.2	117.4	117.3	117.0	117.0	117.2	117.4	117.8	118.5	119.1	119.6	119.7	119.6
G7	109.9	112.6	113.3	113.5	113.2	112.8	112.7	112.9	113.0	113.4	114.1	114.7	115.2	115.4	115.3
Euro area (HICP)	111.6	114.0	114.3	114.4	114.4	114.5	114.5	115.0	114.4	114.7	115.5	116.2	116.5	116.6	116.3
European Union (HICP)	113.1	115.7	115.9	116.1	116.2	116.3	116.4	116.8	116.3	116.7	117.4	118.1	118.4	118.5	118.2
Canada	112.2	114.4	114.9	115.1	114.5	114.3	114.5	114.7	114.7	115.5	116.5	117.0	117.5	117.3	117.4
France	109.9	111.8	112.0	112.3	112.1	111.8	112.0	112.2	111.8	112.0	112.5	113.1	113.4	113.5	113.2
Germany	108.3	110.1	110.7	110.6	110.2	110.3	110.2	111.1	110.9	111.3	111.6	112.0	112.2	112.3	112.8
Italy	112.7	115.1	115.5	115.7	115.6	115.5	115.6	115.7	115.8	116.1	116.3	116.5	116.8	117.1	117.4
Japan	97.8	98.1	97.9	98.6	98.6	98.4	97.9	98.0	97.8	97.3	97.6	97.9	98.2	98.0	97.9
United Kingdom	107.5	110.0	110.2	110.6	110.7	110.9	111.1	111.8	110.9	111.4	112.0	112.3	112.6	112.8	112.2
United States	113.4	117.1	118.2	118.4	117.8	117.2	117.0	117.2	117.5	118.2	119.3	120.0	120.8	121.0	121.0

Consumer prices, All items

Percentage change on previous month

	2006						2007						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
OECD-Total	0.1	0.2	-0.2	-0.2	0.0	0.2	0.2	0.3	0.6	0.5	0.4	0.1	0.0
G7	0.2	0.3	-0.3	-0.3	-0.1	0.2	0.0	0.3	0.7	0.5	0.5	0.1	0.0
Euro area (HICP)	-0.1	0.1	0.0	0.1	0.0	0.4	-0.5	0.3	0.7	0.6	0.2	0.1	-0.2
European Union (HICP)	-0.1	0.2	0.0	0.1	0.1	0.4	-0.4	0.3	0.6	0.6	0.3	0.1	-0.3
Canada	0.1	0.2	-0.5	-0.2	0.2	0.2	0.0	0.7	0.8	0.5	0.4	-0.2	0.1
France	-0.2	0.3	-0.2	-0.2	0.1	0.2	-0.3	0.2	0.4	0.5	0.3	0.1	-0.2
Germany	0.4	-0.1	-0.4	0.1	-0.1	0.8	-0.2	0.4	0.3	0.4	0.2	0.1	0.4
Italy	0.3	0.2	-0.1	-0.1	0.1	0.1	0.1	0.3	0.2	0.2	0.3	0.2	0.2
Japan	-0.3	0.7	0.0	-0.2	-0.5	0.1	-0.2	-0.5	0.3	0.3	0.3	-0.2	-0.1
United Kingdom	0.0	0.4	0.1	0.2	0.2	0.6	-0.8	0.5	0.5	0.3	0.3	0.2	-0.6
United States	0.3	0.2	-0.5	-0.5	-0.1	0.1	0.3	0.5	0.9	0.6	0.6	0.2	0.0

Consumer prices, All items

Percentage change on the same month of the previous year

	2005	2006	2006						2007						
	Average		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
OECD-Total	2.5	2.6	3.0	3.0	2.0	1.6	2.0	2.2	1.9	2.1	2.4	2.3	2.2	2.2	2.0
G7	2.4	2.4	3.0	2.9	1.7	1.3	1.7	2.0	1.7	1.9	2.1	2.0	2.1	2.0	1.8
Euro area (HICP)	2.2	2.2	2.4	2.3	1.7	1.6	1.8	1.9	1.8	1.9	1.9	1.9	1.9	1.9	1.8
European Union (HICP)	2.3	2.3	2.5	2.4	2.0	1.8	2.1	2.2	2.1	2.2	2.3	2.2	2.1	2.2	2.0
Canada	2.2	2.0	2.3	2.1	0.7	1.0	1.4	1.7	1.1	2.0	2.3	2.2	2.2	2.2	2.2
France	1.7	1.7	1.9	1.9	1.2	1.1	1.4	1.5	1.2	1.0	1.2	1.3	1.1	1.2	1.1
Germany	2.0	1.7	1.9	1.7	1.0	1.1	1.5	1.4	1.6	1.6	1.9	1.9	1.9	1.8	1.9
Italy	2.0	2.1	2.2	2.2	2.1	1.8	1.8	1.9	1.7	1.8	1.7	1.5	1.5	1.7	1.6
Japan	-0.3	0.2	0.3	0.9	0.6	0.4	0.3	0.3	0.0	-0.2	-0.1	0.0	0.0	-0.2	0.0
United Kingdom	2.0	2.3	2.4	2.5	2.4	2.5	2.7	3.0	2.7	2.8	3.1	2.8	2.5	2.4	1.9
United States	3.4	3.2	4.1	3.8	2.1	1.3	2.0	2.5	2.1	2.4	2.8	2.6	2.7	2.7	2.4



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 13 countries: Austria, Belgium, Finland, France, Germany, Greece, Italy, Ireland, Luxembourg, 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 prices 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:

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