LATEST TRENDS IN CONSUMER PRICES

Consumer prices in the OECD area rose by 0.3 per cent in September, marginally faster than the 0.2 per cent increase recorded in August (1). Prices increased by 0.5 per cent in Japan, by 0.4 per cent in the EC and by 0.3 per cent in the United States. The fastest rate of increase occurred in Sweden (1.4 per cent) reflecting seasonal movements in clothing prices and the impact of interest rate rises on housing costs. Taken over twelve months, the OECD-area inflation rate remained stable in September at 3.2 per cent for the third successive month (2).

With OECD food and energy prices rising by 0.3 and 0.1 per cent respectively, consumer prices excluding these two components, which are taken as an indicator of "underlying" inflation, increased by 0.3 per cent in September -- up marginally from 0.2 per cent in August (3). In Austria, this measure of prices fell by 1.3 per cent, influenced largely by seasonal reductions in prices of leisure-related activities. Taken over twelve months, the underlying rate of OECD-area inflation continued to ease -- edging down from 3.7 per cent in August to 3.6 per cent in September.

(1) This excludes Turkey, a high-inflation country. Including Turkey, the increase amounted to 0.5 per cent in September.

(2) Including Turkey, the year-on-year rate was 4.3 per cent.

(3) Excluding Greece, Iceland, Portugal, Sweden and Turkey, for which data are not available.