LATEST TRENDS IN CONSUMER PRICES

Consumer prices in the OECD area rose by 0.3 per cent in January 1994 (1) after having been stable in December 1993. Prices also rose in the seven major countries considered as a whole. Among these countries, monthly inflation changed from 0.0 per cent to 0.3 per cent in the United States, from 0.2 to 0.9 per cent in Germany (2), from -0.1 to 0.2 per cent in France, from 0.0 to 0.6 per cent in Italy and from -0.2 to 0.0 per cent in Canada. In Japan consumer price inflation was stable at 0.1 per cent, while in the United Kingdom inflation fell from 0.2 per cent in December 1993 to -0.4 per cent in January 1994.

Among smaller member countries (excluding Turkey), consumer price changes in January 1994 varied from a 0.9 per cent rise in Spain to a 0.7 per cent fall in Greece. Consumer prices also fell in Finland, Iceland and Norway. Inflation increased (or deflation decreased) in Austria, Belgium, Denmark, Ireland, the Netherlands, Portugal and Spain. Inflation declined in Finland, Greece, Luxembourg and Norway, while it remained stable in Switzerland. Measured over twelve months, the rate of consumer price inflation for the OECD as a whole (excluding Turkey) was 2.6 per cent, down 0.4 percentage points from January 1993 (3).

Food prices rose in the OECD area (excluding Turkey) by 0.7 per cent in January, while energy prices were stable (4). OECD consumer prices excluding these two components, an indicator of "underlying" inflation, rose by 0.1 per cent in January 1994 after having been stable in December 1993. Taken over twelve months, the underlying rate of OECD-area inflation was 2.8 per cent in January 1994, 0.6 percentage points less than the twelve month rate for January 1993.

(1) Excluding Turkey, a high-inflation country. Including Turkey, prices rose by 0.4 per cent in January, 0.3 percentage points more than in December 1993.

(2) The January jump in inflation in Germany reflects an increase in indirect taxes.

(3) Including Turkey, the yearly rate was 3.5 per cent.

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