LATEST TRENDS IN CONSUMER PRICES

Consumer prices in the OECD area (excluding Turkey) rose by 0.1 per cent in May (1) as compared with a 0.3 per cent increase in April. Prices also rose by 0.1 per cent in the seven major countries considered as a whole. Among these countries, the monthly inflation rate fell to 0.1 per cent in Japan, to 0.2 per cent in France, to 0.3 per cent in the United Kingdom and to -0.2 per cent in Canada. The monthly inflation rate remained constant at 0.1 per cent in the United States and at 0.2 per cent in western Germany. Inflation increased in Italy to 0.4 per cent.

Among smaller member countries (excluding Turkey), consumer price changes in May varied from a 0.6 per cent fall in Switzerland to a 0.8 per cent rise in Greece. Inflation increased in Austria, Belgium, Denmark and Luxembourg and remained stable in Norway. It decreased in Finland, Greece, Iceland, Portugal, Spain, Sweden and Switzerland. Measured over twelve months, the rate of consumer price inflation for the OECD as a whole (excluding Turkey) was 2.3 per cent in May, down 0.6 percentage points from a year earlier (2).

Food prices in the OECD area (excluding Turkey) rose by 0.1 per cent in May, while energy prices rose by 0.4 per cent (3). OECD consumer prices excluding these two components, an indicator of "underlying" inflation, rose by 0.1 per cent in May, a rate of increase 0.2 percentage points lower than in April. Taken over twelve months, the underlying rate of OECD-area inflation was stable at 2.5 per cent, which is 0.7 percentage points less than the twelve month rate for May 1993.

-----------
(1) Including Turkey, a high-inflation country, prices rose by 0.4 per cent.

(2) Including Turkey, the yearly rate was 4.1 per cent.

(3) Excluding Greece, Iceland, Portugal, Sweden and Turkey for which pertinent data are unavailable.