

OECD annual inflation picks up slightly, to 1.2% in July 2020

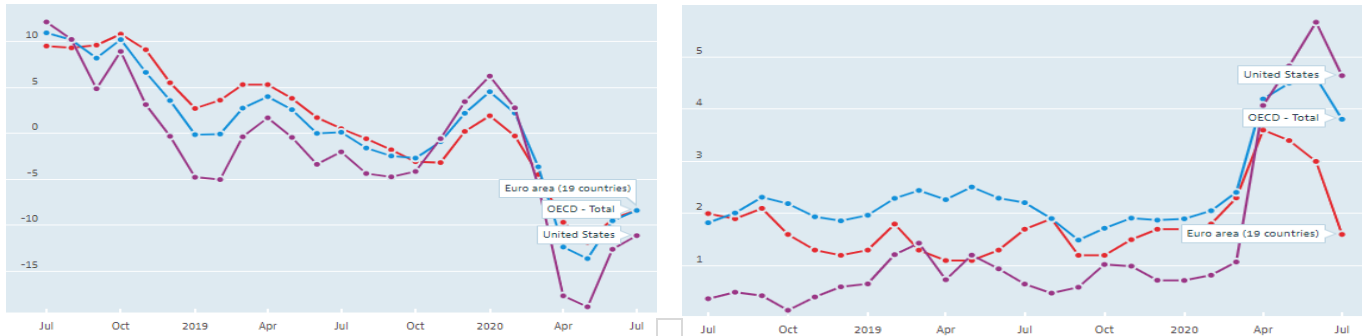
Annual inflation in the **OECD area** picked up slightly to 1.2% in July 2020, compared with 1.1% in June. Energy prices decreased less in July (minus 8.4%) than in June (minus 9.5%) while food price inflation slowed to 3.8%, compared with 4.6% in June. OECD annual inflation, excluding food and energy, also picked up slightly, to 1.7% in July 2020, compared with 1.6% in June.

Graph 1 - Consumer prices, selected areas
July 2020, percentage change on the same period of the previous year, %



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Graph 2 – Energy (CPI) and Food (CPI), selected areas
July 2018 – July 2020, percentage change on the same period of the previous year, %

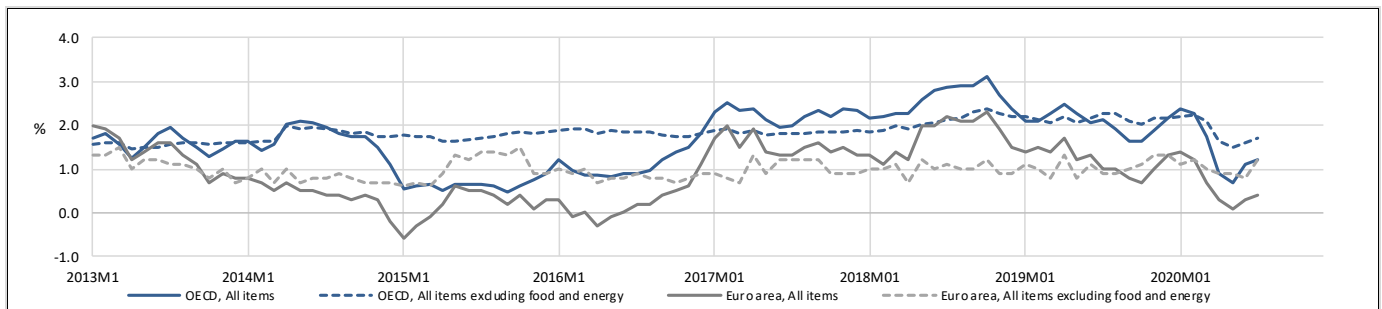


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In July 2020, annual inflation increased in **France** (to 0.8%, from 0.2% in June 2020), the **United States** (to 1.0%, from 0.6%), the **United Kingdom** (to 1.1%, from 0.8%) and **Japan** (to 0.3%, from 0.1%). By contrast, annual inflation decreased sharply in Germany (to minus 0.1% from 0.9%, following a Value Added Tax (VAT) cut effective from 1st July 2020) and **Canada** (to 0.1%, from 0.7%). In **Italy**, prices continued to fall for the third consecutive month to (minus) 0.4% from (minus) 0.2% in June 2020.

Graph 3 - Total (CPI) and euro area (HICP)
Percentage change on the same month of the previous year



Annual inflation in the **Euro area**, as measured by the HICP¹, picked up slightly to 0.4%, from 0.3% in June. Excluding food and energy, annual inflation increased more strongly to 1.2%, compared with 0.8% in June. However, Eurostat's [flash estimate](#) for the Euro Area for August points to annual inflation falling to minus 0.2% and inflation excluding food and energy slowing sharply to 0.4%.

Among non-OECD G20 economies, annual inflation increased sharply in **Saudi Arabia** (to 6.1%, from 0.5%, following a scaling up of VAT rates from 5% to 15% on 1st July 2020), **South Africa** (to 3.2%, from 2.1%) and more moderately in **India** (to 5.3%, from 5.1%), the **Russian Federation** (to 3.4%, from 3.2%), **China** (to 2.7%, from 2.5%), and **Brazil** (to 2.3%, from 2.1%). Annual inflation decreased in **Argentina** (to 42.4%, from 42.8%), and **Indonesia** (to 1.2%, from 1.7%). Annual inflation in the **G20² area** as a whole increased to 2.5% compared with 2.3% in June.

¹ HICP (Harmonised Indices of Consumer Prices) published by Eurostat.

² On 11 July 2017, the Argentinian Authorities started to publish a new national CPI (December 2016 = 100) covering the whole country. This officially reported CPI-series starts in December 2016, and has now been included in the G20 aggregate, from January 2018 onwards. The inclusion of the Argentinian CPI in the G-20 aggregate entailed a clear break in the series.

Table 1 - Consumer prices, All items, selected countries

Percentage change on the same period of the previous year

	2018	2019	2019						2020						
	Average		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
OECD-Total	2.6	2.1	2.2	2.0	1.7	1.6	1.9	2.2	2.4	2.3	1.7	0.8	0.7	1.1	1.2
G7	2.1	1.5	1.6	1.4	1.4	1.4	1.6	1.8	2.0	1.9	1.2	0.4	0.2	0.5	0.7
Euro area (HICP)	1.8	1.2	1.0	1.0	0.8	0.7	1.0	1.3	1.4	1.2	0.7	0.3	0.1	0.3	0.4
European Union (HICP)*	1.8	1.4	1.3	1.3	1.1	1.0	1.3	1.6	1.7	1.6	1.1	0.6	0.5	0.7	0.8
<i>Major seven countries</i>															
Canada	2.3	1.9	2.0	1.9	1.9	1.9	2.2	2.2	2.4	2.2	0.9	-0.2	-0.4	0.7	0.1
France	1.9	1.1	1.1	1.0	0.9	0.8	1.0	1.5	1.5	1.4	0.7	0.3	0.4	0.2	0.8
Germany	1.7	1.4	1.7	1.4	1.2	1.1	1.1	1.5	1.7	1.7	1.4	0.9	0.6	0.9	-0.1
Italy	1.1	0.6	0.4	0.4	0.3	0.2	0.2	0.5	0.5	0.3	0.1	0.0	-0.2	-0.2	-0.4
Japan	1.0	0.5	0.5	0.3	0.2	0.2	0.5	0.8	0.7	0.4	0.4	0.1	0.1	0.1	0.3
United Kingdom	2.3	1.7	2.0	1.7	1.7	1.5	1.5	1.4	1.8	1.7	1.5	0.9	0.7	0.8	1.1
United States	2.4	1.8	1.8	1.7	1.7	1.8	2.1	2.3	2.5	2.3	1.5	0.3	0.1	0.6	1.0
<i>G20 and other non OECD G20 economies</i>															
G20	3.2	3.5	3.3	3.3	3.1	3.2	3.7	4.0	4.0	3.8	3.2	2.4	2.1	2.3	2.5
Argentina	..	53.5	54.4	54.5	53.5	50.5	52.1	53.8	52.9	50.3	48.4	45.6	43.4	42.8	42.4
Brazil	3.7	3.7	3.2	3.4	2.9	2.5	3.3	4.3	4.2	4.0	3.3	2.4	1.9	2.1	2.3
China	2.1	2.9	2.8	2.8	3.0	3.8	4.5	4.5	5.4	5.2	4.3	3.3	2.4	2.5	2.7
India	4.9	7.7	6.0	6.3	7.0	7.6	8.6	9.6	7.5	6.8	5.5	5.4	5.1	5.1	5.3
Indonesia	3.2	3.0	3.3	3.5	3.4	3.1	3.0	2.7	2.7	3.1	3.0	2.7	2.0	1.7	1.2
Russian Federation	2.9	4.5	4.6	4.3	4.0	3.8	3.5	3.0	2.4	2.3	2.5	3.1	3.0	3.2	3.4
Saudi Arabia	2.5	-2.1	-2.2	-1.9	-1.4	-0.9	-0.8	-0.2	0.7	1.2	1.5	1.3	1.1	0.5	6.1
South Africa	4.5	4.1	4.0	4.3	4.1	3.7	3.6	4.0	4.4	4.5	4.1	2.9	2.1	2.1	3.2

Table 2 - Consumer prices, All items excluding food and energy, selected countries

Percentage change on the same period of the previous year

	2018	2019	2019						2020						
	Average		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
OECD-Total	2.1	2.2	2.3	2.3	2.1	2.1	2.2	2.2	2.2	2.2	2.1	1.6	1.5	1.6	1.7
G7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.7	1.2	1.1	1.1	1.3
Euro area (HICP)	1.0	1.0	0.9	0.9	1.0	1.1	1.3	1.3	1.1	1.2	1.0	0.9	0.9	0.8	1.2
European Union (HICP)*	1.0	1.2	1.0	1.1	1.2	1.3	1.5	1.5	1.3	1.5	1.3	1.1	1.2	1.2	1.5
<i>Major seven countries</i>															
Canada	2.0	2.3	2.4	2.5	2.4	2.2	2.1	1.9	1.8	1.9	1.9	1.6	1.0	1.2	0.7
France	1.0	0.7	0.7	0.6	0.8	0.8	1.0	1.2	1.1	1.4	1.0	0.7	1.1	0.8	1.7
Germany	1.3	1.5	1.6	1.4	1.6	1.6	1.6	1.7	1.4	1.5	1.5	1.2	1.3	1.4	0.6
Italy	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.8	0.7	0.6	0.5	0.7	0.6	0.3
Japan	0.2	0.5	0.5	0.3	0.3	0.5	0.7	0.7	0.7	0.5	0.5	0.1	0.2	0.4	0.4
United Kingdom	1.9	1.7	1.9	1.5	1.6	1.7	1.7	1.4	1.6	1.7	1.6	1.5	1.3	1.5	1.8
United States	2.1	2.2	2.2	2.4	2.4	2.3	2.3	2.3	2.3	2.4	2.1	1.4	1.2	1.2	1.6

*The present publication presents time series, which extend beyond the date of the United Kingdom's withdrawal from the European Union on 1 February 2020. In order to maintain consistency over time, the "European Union" aggregate presented here excludes the UK for the entire time series. Interested readers may refer to the [Eurostat website](#) for further information on Eurostat's plans for disseminating EU aggregates and to the [Eurostat database](#) for the actual series.

Table 3 - Consumer prices, OECD countries, selected items
July 2020

	All items		Food	Energy	All items excluding food & energy	Food	Energy	All items excluding food & energy
	CPI	HICP	CPI			Contributions to annual CPI inflation		
	percentage change on the same period of the previous year					percentage points		
OECD-Total	1.2		3.8	-8.4	1.7			
G7	0.7		3.2	-9.5	1.3			
European Union (HICP)*		0.8	2.2	-7.7	1.5			
Euro area (HICP)		0.4	1.6	-8.4	1.2			
Australia ¹	-0.3		8.8	-11.9	-0.6	..	..	..
Austria	1.7	1.8	2.6	-7.1	2.3	0.3	-0.5	1.9
Belgium	0.7	1.7	3.7	-9.1	1.3	0.7	-0.9	0.9
Canada	0.1		2.4	-8.4	0.7	0.3	-0.6	0.5
Chile	2.5		6.8	-1.6	1.8	..	..	..
Colombia	2.0		5.0	-3.3	1.8	..	..	..
Czech Republic	3.4	3.6	4.4	-1.9	4.1	0.8	-0.2	2.8
Denmark	0.5	0.4	0.7	-4.8	0.9	0.1	-0.4	0.8
Estonia	-0.8	-1.3	2.4	-10.0	0.0	0.5	-1.4	0.0
Finland	0.6	0.7	2.9	-6.2	0.8	0.4	-0.4	0.6
France	0.8	0.9	1.1	-7.3	1.7	0.2	-0.6	1.3
Germany	-0.1	0	1.0	-6.7	0.6	0.1	-0.7	0.5
Greece	-1.8	-2.1	1.8	-12.3	-0.8	0.4	-1.6	-0.6
Hungary	3.8	3.9	7.9	-2.0	3.4	1.7	-0.3	2.2
Iceland	3.0	-0.1	5.3	-3.6	3.2	0.7	-0.3	2.5
Ireland	-0.4	-0.6	-1.2	-6.4	0.3	-0.1	-0.5	0.3
Israel	-0.6		0.9	-8.7	-0.2	0.1	-0.5	-0.2
Italy	-0.4	0.8	1.4	-10.1	0.3	0.2	-0.9	0.3
Japan	0.3		1.7	-4.4	0.4	0.3	-0.3	0.3
Korea	0.3		4.3	-8.0	0.4	0.6	-0.5	0.3
Latvia	0.5	0.1	2.8	-6.6	1.4	0.6	-1.0	0.9
Lithuania	1.0	0.9	1.1	-13.1	3.8	0.2	-1.7	2.5
Luxembourg	0.9	0.1	2.3	-7.8	1.5	0.3	-0.5	1.2
Mexico	3.6		6.2	-0.4	3.2	1.6	0.0	2.0
Netherlands	1.7	1.6	1.9	-10.4	2.8	0.2	-0.7	1.9
New Zealand ¹	1.5		3.8	-7.2	2.3	0.5	-0.7	1.7
Norway	1.3	1.4	2.2	-24.0	3.6	0.3	-1.5	3.0
Poland	3.0	3.7	3.9	-3.0	4.3	1.0	..	..
Portugal	0.1	-0.1	2.6	-5.3	-0.9	0.5	-0.4	-0.6
Slovak Republic	1.8	1.8	2.1	-0.5	2.1	0.4	-0.1	1.5
Slovenia	0.3	-0.3	3.1	-8.9	1.1	0.5	-1.0	0.8
Spain	-0.6	-0.7	2.2	-10.7	0.4	0.4	-1.3	0.3
Sweden	0.5	0.7	1.6	-12.6	1.6	0.2	-0.9	1.2
Switzerland	-0.9	-1.2	0.7	-10.1	-0.4	0.1	-0.6	-0.3
Turkey	11.8	11.8	12.7	8.0	12.0	3.0	0.9	8.0
United Kingdom	1.1	..	0.8	-9.2	1.8	0.1	-0.5	1.5
United States	1.0		4.6	-11.2	1.6	0.3	-0.9	1.3

¹ Percentage change Q2 2019 to Q2 2020

..: not available

As a consequence of measures put in place by governments to reduce the spread of the Coronavirus (Covid-19), many statistical agencies are facing unprecedented collection, compilation and methodological challenges to develop indicators across a number of domains. To address these challenges, the statistical community is developing guidance, both conceptual and practical, to help ensure the continued delivery of timely and reliable statistics. However, in some cases, there will inevitably be an impact on quality and, as such, the statistics included in this press release may be subject to larger than normal uncertainty.

>> Methodological information:

OECD Consumer price index – [Methodological Notes for OECD CPI News Release](#)

OECD Contributions to annual inflation – [OECD calculation of contributions to overall annual inflation](#)

>> Access Data:

OECD Database: [OECD CPI News release underlying data](#); [CPI series and Contributions](#); [G20 dataset](#)

>> Graphs:

[OECD countries - Contributions to annual CPI inflation by COICOP Division, current month](#) and [OECD countries - Contributions to annual CPI inflation, selected components, historical series](#)

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Next release: [5 October 2020](#)