

# Informations Rapides

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## ■ Price Index – Annual average rates of change in 2016

### Consumer prices increased slightly on average from 2015 to 2016

On average over the year, consumer prices rose by 0.2% in 2016, after a stability in 2015. Excluded tobacco, consumer prices also rose by 0.2% in 2016. The year 2016 was marked by a less pronounced drop in energy prices and, to a lesser extent, in manufactured products prices. Moreover, food prices barely accelerated. By contrast, services prices and tobacco prices slowed down.

#### **Smaller fall in energy prices**

In 2016, energy prices fell again, but less sharply than in 2015 (-2.8 % after -4.7%), due to petroleum product prices (-5.4% after -10.8%). In the wake of Brent prices, the upturn in prices at the end of the year contributed to moderate the drop over the whole year 2016. Thus in average over the year, motor fuel prices decreased by 4.4% in 2016 (after -9.5% in 2015) and those of heating fuel by 10.6% (after -17.4%). Contrariwise, natural and town gas prices fell more sharply in 2016 (-8.4% after -2.2%) because they are index-linked with a time lag to the changes in oil prices. Only electricity prices rose though less sharply than in 2015 (+3.1 after +4.8% in 2015).

*This document presents the annual average rates of change of the Consumer Prices Index (CPI) in 2016. The monthly and year-on-year rates of change of the CPI in December 2016 have been also published on 12 January in another « Informations rapides ». The annual average and the year-on-year rate of change are two different concepts: the annual average rate of change refers to the whole set of prices observed during one year compared with all those observed during the previous year. The year-on-year change refers to the prices observed during a particular month compared with those observed during the same month of the previous year.*

Annual average changes in consumer price index

2015: 100

Items	weight 2016	Annual average rates of change	
		2015	2016
<b>Overall</b>	<b>10000</b>	<b>0.0</b>	<b>0.2</b>
<b>Food</b>	1615	0.5	0.6
Fresh food	217	5.3	3.7
Other food	1398	-0.2	0.1
<b>Tobacco</b>	195	0.3	0.1
<b>Manufactured products</b>	2651	-0.9	-0.5
Clothing and footwear	414	-0.9	0.2
Medical products	466	-3.5	-3.0
Other manufactured products	1771	-0.3	-0.1
<b>Energy</b>	773	-4.7	-2.8
Petroleum products	419	-10.8	-5.4
<b>Services</b>	4766	1.3	1.0
Actual rentals and services for dwellings	768	0.9	0.6
Health services	598	0.5	0.2
Transport	279	0.9	-1.5
Communication	245	1.2	2.0
Other services	2876	1.5	1.3
<b>Total except rents and tobacco</b>	9183	0.0	0.2
<b>Total except tobacco</b>	9805	0.0	0.2

Geographical coverage: France excluding Mayotte

Source: INSEE – Consumer Price indices

## **Further drop in manufactured product prices**

The prices of the other manufactured products fell again on average in 2016 though less strongly than in 2015 (-0.5% after -0.9%). The slighter decline resulted from that in the prices of medical products and “other manufactured products” and from a moderate upturn in clothing prices. Health product prices went down sharply for the third consecutive year, less though than in 2015 (-3.0% in 2016 after -3.5%). The prices of “other manufactured products” also decreased less in 2016 than in 2015 (-0.1% after -0.3% in 2015), due to a smaller fall in audio-visual, photographic and information processing equipment prices (-2.7% after -4.3% in 2015) and in telephone equipment (-9.2% after -11.3%) and to a stronger increase in the prices of personal effects (+1.5% after +0.8%), of glassware, tableware and household utensils (+0.7% after +0.2%) and of newspapers, books and stationery (+2.3% after +2.1%). However, car prices dipped slightly (-0.2% in average after +0.8%). The prices of clothing and footwear picked up a little (+0.2% after -0.9%), the rebound in clothing prices (+0.5% after -1.2%) being partly offset by a sharp downturn in footwear prices (-1.0% after +0.3%).

## **Rise in food prices comparable to 2015**

In 2016, food prices rose by 0.6%, barely faster than in 2015 (+0.5%). The prices of food products except fresh foodstuff rebounded slightly (+0.1% after -0.2 % in 2015) but the fresh food prices slowed down. Except fresh products, the slight upturn came from the lesser drop in milk, cheese and eggs prices (-1.0% after -1.3%) and the rebound in sugar, jam and confectionery prices (+0.7% after -0.7%), essentially due to ices and chocolate. The prices of bread and cereals hardly varied (-0.1% après -0.2%). The prices of alcoholic beverages (+0.8%) and non-alcoholic beverages (-0.6%) changed at the same pace as in 2015.

## **Sharp downturn in transport services prices**

In 2016, the prices of transport fell back sharply (-1.5% in average after +0.9%), because of airfares (-4.0 % after -0.6 %). Moreover, the prices of combined passenger transports plunged (-4.3% after -0.5%). The prices of passenger transport by air were stable, after an increase of 3.1% in 2015. Lastly, the prices of passenger transport by road (bus, taxis, etc.) slowed down (+1.2% after +1.8%).

## **Acceleration in communication service**

Communication prices sped up in 2016 (+2.0% in average after +1.2% in 2015), because of telecommunications services prices (+1.9% after +0.6%). Conversely, the prices of postal services decelerated sharply (+3.8% after +8.9%).

## **Further slowdown in prices of services for dwellings, health services and other services**

In 2016, the prices of housing service (actual rentals, supply of water and refuse collection fees) kept slowing down (+0.6% on average after +0.9%). Except an acceleration in 2012, actual rentals, which for most of them are revalued in line with past variations of the CPI, have slowed steadily since 2006 (+0.3% in 2016 after 0.6%). Similarly, the prices of the other housing services – mainly supply of water and refuse collection fees – increased less sharply than in 2015 (+1.0% in 2016 after +1.5%).

Health service prices barely increased in 2016 (+0.2% after +0.5%). The rise in doctor fees remained moderate (+0.2% after +0.5%). Dental services fees decelerated (+0.7% after +1.1% in 2014). The prices of paramedical services edged down (-0.1% after +0.2%). The prices of the other services slowed in 2016 (+1.3% after +1.5%). Thus the prices of recreational and cultural services slackened sharply (+0.1% after +1.7%), as well as those of insurance (+2.1% after +2.6%). On the other hand, the prices of catering and accommodation services accelerated in 2016 (+1.7% after +1.4%).

### **For more information:**

- A note on the impact of the new calcul of the price index for fresh foodstuffs is available at: [https://www.insee.fr/en/statistiques/documentation/IPC\\_fiche-impact-PF\\_EN.pdf](https://www.insee.fr/en/statistiques/documentation/IPC_fiche-impact-PF_EN.pdf)
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