

Price Index – Annual average rates of change - year 2018

Consumer prices accelerated on average from 2017 to 2018

WARNING

This document presents the annual average rates of change in the Consumer Prices Index (CPI) in 2018. The monthly and year-on-year rates of change in the CPI in December 2018 have been also published on January 15, 2019 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.

On average over the year, consumer prices gathered pace again in 2018 for the third consecutive year. The inflation was up by 1.8% after +1.0% in 2017, +0.2 % in 2016 and 0.0% in 2015. Excluded tobacco, consumer prices were also more dynamic than in 2017, but the acceleration was less marked: +1.6% in 2018 after +1.0% in 2017. In addition of a sharp increase in tobacco prices, the rise in inflation came, on the one hand, from an acceleration in the prices of energy, services and, on the other hand, from a lesser drop in manufactured product prices. Core inflation rose by 0.8% in 2018 after +0.5% in 2017.

Figure 1 Annual average changes in consumer price index

2015=100

		Annual average rates of change		
Items	Weight 2018	2017	2018	From 2017 to 2018%
a) All households – France				
Overall	10000	101,22	103,09	1,8
Food	1627	101,62	103,52	1,9
Fresh food	243	107,20	112,75	5,2
Other food	1384	100,74	102,03	1,3
Tobacco	193	102,77	117,41	14,2
Manufactured products	2594	98,96	98,75	-0,2
Clothing and footwear	416	100,15	100,26	0,1
Medical products	425	94,97	92,77	-2,3
Other manufactured products	1753	99,67	99,86	0,2
Energy	777	103,19	113,21	9,7
Petroleum products	408	104,34	119,69	14,7
Services	4809	101,97	103,22	1,2
Actual rentals and services for dwellings	764	101,10	101,18	0,1
Health services	617	101,49	102,45	0,9
Transport	282	100,48	101,31	0,8
Communication	223	98,48	97,54	-1,0
Autres services	2923	102,73	104,57	1,8
Total except rents and tobacco	9192	101,23	102,99	1,7
Total except tobacco	9807	101,19	102,82	1,6
b) Urban working-class households or households of employees				
All products excluding tobacco	9706	101,05	102,59	1,5
c) Households that belong to the lowest equivalized disposable income quintile - France				
All products excluding tobacco	9700	100,91	102,45	1,5

Geographical coverage: France excluding Mayotte

Source: INSEE – Consumer Price indices

Rise in energy inflation

After a rebound in 2017 consecutive to a three year fall, energy prices gathered pace in 2018 (+9.7% on average after +6.2%), in the wake of petroleum product prices (+14.7% after +10.3%). Thus, on average over the year, motor fuel prices rose by 13.2% in 2018 (after +9.1% in 2017) and those of heating fuel by 22.3% (after +17.3%). Gas prices also sharply contributed to energy inflation (+12.0% after +4.6%). The increase in fuel and gas taxation in January 2018 and a higher average Brent price in 2018 than in 2017 contributed to it. Moreover, electricity prices also contributed to the rise in energy inflation, but a lesser extent: +1.3% after +0.4%.

Sharp acceleration in tobacco and food prices

After a 2.7% rise between 2016 and 2017, tobacco prices surged in 2018: +14.2% on average over the year, due to an increase in taxes. A such rise had not been recorded since 2004.

Food prices accelerated in 2018 for the third consecutive year (+1.9% after +1.0%). The prices of food products except fresh foodstuff rose more in 2018 than in 2017 (+1.3% after +0.6% in 2017) due to an increase in the prices of meat (+1.3% after +1.1%), milk, cheese and eggs (+2.0% after +0.2%), bread and cereals (+1.1% after +0.3%), oils and fats (+7.0% after +2.8%), non-alcoholic beverages (+1.0% after +0.6%) and alcoholic beverages (+1.1% after +0.6%). Fresh food prices were also more dynamic than in 2017 (+5.2% after +3.3%), due to a rise more marked in those of fresh vegetables (+7.1% after +5.6%) and fresh fruits (+6.6% after +2.1%).

Lesser drop in communication services

The drop in communication services prices was less pronounced in 2018 (-1.0% on average after -3.5%), because of telecommunications services prices (-1.5% after -4.0%). The prices of postal services went up sharply after a revaluation in fees in January (+6.8% after +3.8%).

Slowdown in the prices of services for health, transport and dwellings

Health service prices slowed down in 2018 (+0.9% on average after +1.3% in 2017), after the changes in 2017 in medical fees provided by the medical convention signed in August 2016.

In 2018, transport service prices were also less dynamic after a rebound in 2017 (+0.8% after +2.0%). Airfares slowed down (+0.5% after +2.4%). The prices of other transports services also slackened: those of passenger transport by road (bus, taxis, etc.) rose by 1.6% in 2018 after +3.1% in 2017, those of combined passenger transports by 1.4% after +2.6% and those of passenger transport by rail by 0.3% after +0.7%.

In 2018, the prices of housing service (actual rentals, supply of water and refuse collection fees) continued to slow down: +0.1% on average after +0.4% in 2017. Actual rentals edged down by 0.3% in 2018 after +0.2% in 2017 due to a drop in social rental prices concurrent with these in individual housing benefits. On the other hand, the prices of the other housing services – mainly supply of water and refuse collection fees – rose barely less than in 2017 (+1.3% after +1.4%).

Further acceleration in other services prices

The prices of the other services gathered pace again in 2018 (+1.8% after +1.4% in 2017 and +1.3% in 2016), due to a stronger rise in the prices of accommodation services (+4.4% after +2.4%), package holidays (+12.9% after +1.7%) and social protection (child care services, retirement homes for elderly persons: +1.3% after +0.9%). Contrariwise, the prices in recreational and cultural services slowed down (+0.9% after +1.1%), as those in insurance (+1.8% after +2.1%).

Lesser drop in manufactured product prices

In 2018, the prices of the manufactured products fell less than in 2017 (-0.2% after -0.6%). The prices of clothing and footwear barely rose (+0.1% in 2018 after a stability in 2017): those in clothing edged down (-0.2% after +0.1%) while those of footwear rebounded (+1.0% after -0.3%). The prices of "other manufactured products" rose by 0.2% after a decrease of the same level in 2017, due to an acceleration in car prices (+1.4% after +0.7%) and a lesser drop in household appliances prices (-1.6% after -2.0%).

The prices of furniture and furnishings were stable after a 0.4% drop in 2017. The drop in audio-visual, photographic and information processing equipment prices (-2.3%) and in telephone equipment (-7.4%) continued in 2018. Lastly, health product prices fell (-2.3%).

A more or less pronounced price increase according to households

According to their consumption structure households were subject to a global inflation more or less pronounced. Thus, in 2018, households under 30 years of age suffered the lowest price increase (+1.5% compared to +1.8% for all households). Similarly, inflation was 0.3points lower than the average for renter households, and 0.2points higher for owners. Differences by family composition and income also existed, but they were less than 0.2points.

For further information

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