

12 February 2020

Consumer Price Index

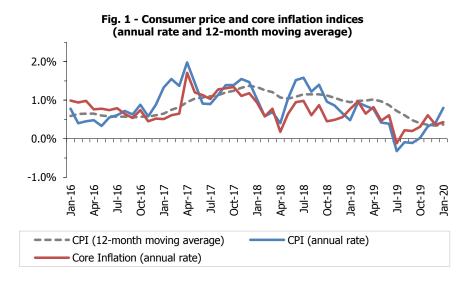
January 2020

CPI annual rate of change increases to 0.8%

The Consumer Price Index (CPI) annual rate was 0.8% in January 2020 (0.4% in December 2019). The annual core inflation rate, which excludes energy and unprocessed food products, was 0.4% (the same value as in the previous month).

The CPI monthly rate was -0.8% (-0.1% in the previous month and -1.2% in January 2019), while the CPI 12-month average rate was 0.4% (0.3% in December).

In January 2020, the Portuguese Harmonised Index of Consumer Prices (HICP) annual rate was 0.8% (0.4% in the previous month). This rate is 0.6 percentage points (p.p.) below the figure estimated by Eurostat for the Euro area (in the previous month, this difference was 0.9 p.p.).



Consumer Price Index (base 100 = 2012)

In January 2020, the annual inflation rate was 0.8%, 0.4 percentage point (p.p.) above the rate of the previous month (see Fig. 1). When rounded to one decimal place, this figure coincides with the value provided in the flash estimate, which was released on January 31st (for further details on the differences between estimated and final CPI figures, see Table 3 on page 5 of this press release).

The annual core inflation rate, which excludes energy and unprocessed food products, was 0.4% (the same value as in December). The unprocessed food aggregate recorded an annual rate of 1.9% in January (1.2% in December) while energy presented an annual rate of 3.2% (nil the previous month).

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The largest upward contributions to the overall annual rate of change came from changes in the prices of *Transports*. Conversely, the main downward contribution came from price decreases in *Communications, Clothing and footwear* and *Recreation and culture*.

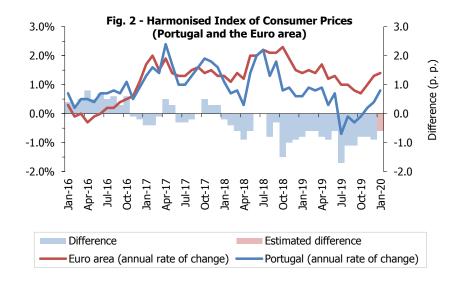
In January 2020, the CPI monthly rate was -0.8% (-0.1% in the previous month and -1.2% in January 2019). The main upward contribution to the monthly rate of change came from price changes in *Food and non-alcoholic beverages.* Conversely, the major downward contribution was observed in *Clothing and footwear.*

The CPI 12-month average rate was 0.4% in January (0.3% in the previous month).

Harmonised Index of Consumer Prices (base 100 = 2015)

In January 2020, the Portuguese HICP annual rate was 0.8% (0.4% in the previous month) and the monthly rate was -0.8% (-0.3% in December and -1.3% in January 2019).

In December 2019, the annual rate of change of the Portuguese HICP was 0.9 p.p. below the Euro area rate. This difference is estimated to have decreased to 0.6 p.p. in January 2020.



The HICP 12-month average rate was 0.3% in January (the same value as in the previous month).

Housing Rents

In January, the annual change rate of the housing rents for the whole country was 3.4% (the same value as in the previous month). The highest increase was observed in the Lisboa region (4.1%), with all regions displaying positive rates of change.

For the same period, the monthly rate of change of the average value of rents per square meter for the whole country was 0.3% (0.2% in December). The main increase was observed in the Madeira region (1.0%) while the Açores region recorded the only decrease for this period (-0.2%).





Consumer Price Index 2020 – changes due to the annual chaining of the index

With the publication of the Consumer Price Index (CPI) in January of each year, the expenditure structure and the goods and services included in the basket are updated benefiting from the chaining process.

The weighting structure for the 2020 CPI is based on the households' final monetary consumption expenditure of final 2017 and preliminary 2018 Portuguese National Accounts. These results are valued to December prices. This is the first CPI weighting structure based on the 2016 benchmark year of the Portuguese National Accounts.

This complies with the regulations of the European Commission and Eurostat recommendations for the compilation of the Harmonized Index of Consumer Prices, aiming to ensure the highest quality of the information and the comparability among Member States.

Using information from National Accounts as the primary source ensures the appropriate update of the weights at the aggregated level on an annual basis, reflecting not only price changes but also changes in quantities of goods and services purchased by households. Information from National Accounts, which reflects the integration of several sources, including the Household Budget Survey (HBS), ensures a high degree of consistency with other fundamental variables for economic analysis. National Accounts are compiled using supply and use tables, matching available resources of each product (domestic production and imports) and the respective uses (exports and domestic spending) at a relatively detailed level.

As the breakdown level of the products included in the CPI is larger than the one that is provided by National Accounts, for more disaggregated levels of expenditure, information from the HBS and the Census, supplemented by other administrative sources and other surveys conducted by Statistics Portugal, is used. This information is also used for updating the goods and services included in the CPI.

With the access to more detailed and updated information, notably coming from administrative sources, changes in the weighting structure and / or samples were also introduced for cigarettes, electricity, natural gas, pharmaceutical products, new cars, airline flights, telecommunication services, newspapers and periodicals, football, betting and gambling, accommodation services, insurance and financial services.

The following table presents the CPI weights for 2019 and 2020.

COI	COP ¹ divisions	2019 weights	2020 weights
01	Food and non-alcoholic beverages	202.1	199.3
02	Alcoholic beverages and tobacco	38.0	37.2
03	Clothing and footwear	71.9	70.8
04	Housing, water, electricity, gas and other fuels	98.5	91.9
05	Furnishings, household equipment and routine maintenance of the house	61.0	58.6
06	Health	63.6	67.4
07	Transport	158.0	162.7
08	Communication	30.1	29.4
09	Recreation and culture	76.4	67.9
10	Education	15.2	20.0
11	Restaurants and hotels	85.1	90.6
12	Miscellaneous goods and services	100.2	104.2
00	All items	1000 ²	1000

¹ COICOP – Classification Of Individual Consumption by Purpose

² Due to rounding, the sum of the parts may not add exactly to 1000.





Consumer Price Index

The Consumer Price Index (CPI) measures the change over time of the prices of a certain basket of goods and services bought by a "typical" consumer. The CPI has been designed to capture price changes and not to measure price levels.

The CPI is updated every year with the most recent information on prices and quantities. The 2020 CPI weighting structure and the sample of goods and services included in the basket are a result of the combination of three fundamental sources of information: results of the Portuguese National Accounts, complemented with the Household Budget Survey and the Census for more detailed levels of expenditure. Administrative data is also used.

The CPI is compiled through the aggregation of seven regional price indexes and the goods and services included in the index are grouped according to the Classification of individual consumption by purpose (COICOP).

Table 1: CPI - COICOP Divisions

01	Food and non-alcoholic beverages	07	Transports
02	Alcoholic beverages and tobacco	08	Communications
03	Clothing and footwear	09	Recreation and culture
04	Housing, water, electricity, gas and other fuels	10	Education
05	Furnishings, household equipment and routine household maintenance	11	Restaurants and hotels
06	Health	12	Miscellaneous goods and services

Monthly rate

The monthly rate is the change in the index of a certain month compared with the index of the previous month expressed as a percentage. Although up-to-date, this measure can be affected by seasonal and other effects.

Annual rate

The annual rate is the change in the index of a certain month compared with the index of the same month in the previous year expressed as a percentage. In the presence of a stable seasonal pattern, seasonal effects do not influence this measure.

12-month average rate

The 12-month average rate is the change in the average index of one year compared with the average index of the previous year expressed as a percentage. This moving average is less sensitive to transient changes in prices.

Core inflation index (all items CPI excluding unprocessed food and energy products)

The core inflation index is compiled by excluding the prices of unprocessed food and energy products from the all items CPI. The primary objective of this index is to capture the underlying inflation pressures in the economy.

Harmonised Index of Consumer Prices

The Harmonised Index of Consumer Prices (HICP) is compiled in each member state of the European Union for the purposes of inflation comparisons across EU countries, as required by the Treaty on European Union¹. This index plays an important role as a guideline for the achievement of the European System of Central Banks primary objective: price stability. In 1998, the European Central Bank adopted the HICP as "the most appropriate price measure" for its definition of price stability in the Euro area².

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¹ Article 109j and protocol on the convergence criteria referred to in that article.

² A stability oriented monetary policy strategy for the ESCB". ECB press notice released on 13 October 1998.



The HICP is produced in each Member State following a harmonized methodology developed by experts in the field of price statistics, under the "Price Statistics Working Group" and related Task Forces. From the methodological point of view, there are no major differences between the HICP and CPI. However, the different scope of coverage leads to differences in the weighting structure, mainly in Restaurants and hotels. This is mostly an effect of the inclusion of non-residents expenditure ("tourists") in the HICP and the corresponding exclusion from the CPI.

Additional information on the methodology of the HICP is available at http://ec.europa.eu/eurostat/web/hicp.

Table 2: CPI and HICP 2020 weighting structures

COIC	COICOP divisions		HICP
01	Food and non-alcoholic beverages	199.3	190.1
02	Alcoholic beverages and tobacco	37.2	35.7
03	Clothing and footwear	70.8	70.7
04	Housing, water, electricity, gas and other fuels	91.9	84.7
05	Furnishings, household equipment and routine household maintenance	58.6	56.3
06	Health	67.4	63.0
07	Transport	162.7	162.1
08	Communication	29.4	27.1
09	Recreation and culture	67.9	50.7
10	Education	20.0	18.4
11	Restaurants and hotels	90.6	144.2
12	Miscellaneous goods and services	104.2	97.0
00	All items	1000	1000

¹ COICOP – Classification Of Individual Consumption by Purpose

Presentation of data and rounding rules

Since the release of the January 2013 CPI indices are published with base 100 in the year 2012.

Due to rounding procedures, those indices may not reproduce exactly the published rates of change. However, it should be noted that the published rates prevail.

In this press release the descriptive analysis is based on rounded values to one decimal.

Differences between estimated and final values

In Table 3, some descriptive statistics are presented for the differences between the estimated and final values of the annual rate for the last 24 months. The table also includes the differences for the last three months, in p.p..

Table 3: Differences between the estimated and final values of the annual rate

		erences nonths (p		Differences last 3 months (p.p.)							
	Mean	Max	Min	Nov-19	Dec-19	Jan-20					
Total	-0.01	0.04	-0.09	0.00	0.00	0.03					
All items excluding housing	-0.02	0.03	-0.09	0.00	0.00	0.03					
All items excl. unproc. food and energy	-0.02	0.04	-0.15	0.00	0.00	0.03					
Unprocessed food	-0.02	0.05	-0.16	-0.01	0.02	0.02					
Energy	0.01	0.26	-0.14	-0.01	0.04	0.02					

Next press releases

The February 2020 flash estimate will be available on February 28th, 2020.

The February 2020 CPI/HICP will be released on March 11th, 2020.

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Annex:

CPI rate of change (index division and all-items CPI)

							visions ⁽¹⁾						All-iten CPI
	01	02	03	04	05	06	07	08	09	10	11	12	
							al average						
2017	1.53	2.57	-2.39	0.59	-0.45	0.44	3.06	2.60	1.42	0.95	3.73	0.83	1.37
2018	0.74	2.26	-3.47	2.19	-0.41	1.07	3.06	0.43	-0.12	1.22	2.12	0.83	0.99
2019	0.32	2.01	-3.00	0.29	-0.28	0.82	1.14	-2.59	-0.02	0.93	0.97	1.56	0.34
						А	nnual rate	(%)					
2018 January	1.45	2.31	-4.68	1.48	-1.02	0.74	3.23	0.59	-0.18	1.23	2.49	1.20	1.03
February	0.45	0.70	-2.44	1.66	-0.93	1.00	1.02	0.78	-0.07	1.22	2.37	0.95	0.58
March	0.30	1.24	-4.43	1.44	-0.06	1.07	1.90	0.50	0.77	1.22	2.51	0.98	0.69
April	0.92	2.25	-3.67	1.56	-0.43	0.97	0.76	0.41	-0.61	1.19	0.08	1.04	0.40
May	0.70	2.28	-3.26	2.02	-0.85	1.16	3.80	0.44	-0.70	1.18	2.87	0.25	1.04
June	1.24	2.88	-2.74	2.32	-0.25	1.33	4.06	0.91	-0.03	1.20	3.82	0.56	1.52
July	1.19	2.87	-2.81	2.60	-0.48	1.19	3.98	0.46	0.00	1.24	4.82	0.65	1.58
August	0.90	2.40	-2.46	2.65	-0.31	1.22	4.00	0.42	0.49	1.26	1.11	0.48	1.22
September	0.84	2.15	-3.60	2.66	-0.35	1.19	4.62	0.03	0.35	1.28	3.30	0.57	1.40
October	0.30	3.17	-3.69	2.68	-0.20	0.98	4.84	0.12	-0.52	1.15	-0.64	0.92	0.96
November	0.28	2.22	-3.64	2.71	-0.09	1.01	3.10	0.10	-0.77	1.21	1.30	1.13	0.86
December	0.30	2.61	-3.94	2.47	0.01	0.96	1.45	0.43	-0.13	1.23	1.47	1.20	0.66
2019 January	0.24	2.43	-3.14	0.55	-0.56	1.20	0.66	0.16	0.11	1.36	2.11	1.31	0.48
February	1.26	2.62	-3.29	0.54	-0.16	0.79	2.25	0.02	0.05	1.38	1.72	1.74	0.94
March	1.16	3.03	-2.54	0.78	-0.71	0.75	2.54	0.03	-0.92	1.39	1.21	1.52	0.85
April	-0.17	2.18	-2.97	0.86	-0.19	0.74	2.66	-0.27	0.71	1.42	1.91	1.76	0.77
May	0.16	2.00	-3.12	0.77	0.55	0.96	1.68	-3.37	-0.04	1.44	0.12	1.94	0.42
June	0.39	1.82	-3.79	0.57	0.32	0.96	0.91	-3.76	-0.25	1.44	2.22	1.63	0.39
July	-0.06	2.14	-5.83	0.03	-0.15	0.95	0.54	-4.03	-0.09	1.34	-1.47	1.22	-0.32
August	-0.04	1.66	-5.05	-0.06	-0.08	0.94	0.10	-4.03	0.37	1.38	0.58	1.52	-0.09
September	-0.11	1.88	-1.52	-0.10	-0.43	0.73	0.31	-3.93	-1.37	1.41	-0.58	1.62	-0.11
October	0.51	1.48	-1.83	-0.24	-0.45	0.73	-0.46	-3.92	-0.10	-0.42	0.63	1.55	0.02
November	0.30	2.09	-1.58	-0.26	-0.79	0.53	0.78	-3.87	0.58	-0.47	1.58	1.53	0.32
December	0.16	0.88	-2.03	0.01	-0.71	0.59	1.80	-4.18	0.73	-0.48	1.91	1.34	0.42
2020 January	0.79	1.95	-1.85	1.10	-0.16	0.49	3.00	-4.61	-1.30	-0.60	1.88	1.53	0.80
Note:	(1) The nam	es of the div	isions are giv	en in the ex	planatory not	es.							
Source:	INE - Portuc	al											

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HICP rate of change (international comparison) ⁽¹⁾

	EA- 19 ⁽²⁾	EICP (3)	BE	BG	CZ	DK	DE	EE	EL	ES	FR	HR	IE	π	СУ	LV	LT	LU	HU	МТ	NL	AT	PL	РТ	RO	SI	SK	FI	SE	UK
														Ann	ual aver	age rate	e (%)													
2017	1.5	1.7	2.2	1.2	2.4	1.1	1.7	3.7	1.1	2.0	1.2	1.3	0.3	1.3	0.7	2.9	3.7	2.1	2.4	1.3	1.3	2.2	1.6	1.6	1.1	1.6	1.4	0.8	1.9	2.7
2018	1.8	1.9	2.3	2.6	2.0	0.7	1.9	3.4	0.8	1.7	2.1	1.6	0.7	1.2	0.8	2.6	2.5	2.0	2.9	1.7	1.6	2.1	1.2	1.2	4.1	1.9	2.5	1.2	2.0	2.5
2019	1.2	1.5	1.2	2.5	2.6	0.7	1.4	2.3	0.5	0.8	1.3	0.8	0.9	0.6	0.5	2.7	2.2	1.6	3.4	1.5	2.7	1.5	2.1	0.3	3.9	1.7	2.8	1.1	1.7	1.8
																rate (%)														
2018 January	1.3	1.6	1.8	1.3	2.1	0.6	1.5	3.6	0.2	0.7	1.5	1.2	0.3	1.2	-1.5	2.0	3.6	1.3	2.1	1.2	1.5	1.9	1.6	1.1	3.4	1.7	2.6	0.8	1.6	3.0
February	1.1	1.4	1.5	1.5	1.6	0.5	1.2	3.2	0.4	1.2	1.3	0.9	0.7	0.5	-0.4	1.8	3.2	1.1	1.9	1.3	1.3	1.9	0.7	0.7	3.8	1.4	2.2	0.6	1.6	2.7
March	1.4 1.2	1.6 1.5	1.5 1.6	1.9 1.7	1.6 1.8	0.4 0.7	1.7 1.3	2.9 2.9	0.2 0.5	1.3 1.1	1.7 1.8	1.2 1.4	0.5 -0.1	0.9 0.6	-0.4 -0.3	2.3 2.1	2.5 2.2	1.1 1.3	2.0 2.4	1.3 1.4	1.0 1.0	2.0 2.0	0.7 0.9	0.8 0.3	4.0 4.3	1.5 1.9	2.5 3.0	0.9 0.8	2.0 1.8	2.5 2.4
April			2.3	2.3				3.1		2.1	2.3				1.0	2.1	2.2	2.1	2.4	1.4		2.0	1.2			2.2	2.7		2.0	2.4
May June	2.0 2.0	2.0 2.1	2.5	2.3	2.0 2.4	1.0 1.1	2.5 2.1	3.1	0.8 1.0	2.1	2.3	1.8 2.2	0.7 0.7	1.0 1.4	1.0	2.4	2.9	2.1	3.2	2.0	1.9 1.7	2.1	1.2	1.4 2.0	4.6 4.7	2.2	2.7	1.0 1.2	2.0	2.4
			2.0	3.6				3.3	0.8	2.3	2.5		1.0		1.7	2.7	2.0	2.5	3.4	2.0	1.9	2.3	1.4	2.0		2.5	2.9	1.2		2.5
July August	2.2 2.1	2.2 2.2	2.7	3.0	2.2 2.4	0.9 0.8	2.2 2.1	3.5	0.8	2.3	2.6	2.2 2.1	0.9	1.9 1.6	1.4	2.7	1.8	2.5	3.4	2.1	1.9	2.3	1.4	1.3	4.3 4.7	2.1	2.0	1.4	2.2 2.1	2.5
September	2.1	2.2	2.0	3.6	2.4	0.8	2.1	3.5	1.1	2.2	2.0	1.6	1.2	1.5	1.7	3.3	2.4	2.4	3.4	2.4	1.9	2.5	1.4	1.3	4.7	2.0	2.9	1.4	2.1	2.7
October	2.1	2.2	3.2	3.6	2.1	0.5	2.2	4.5	1.1	2.3	2.5	1.0	1.2	1.5	1.7	3.2	2.4	2.7	3.9	2.5	1.0	2.1	1.5	0.8	4.2	2.2	2.7	1.4	2.5	2.4
November	1.9	2.0	2.9	3.0	1.6	0.7	2.0	3.2	1.0	1.7	2.2	1.3	0.8	1.6	1.9	2.9	2.6	2.6	3.9	1.4	1.9	2.3	1.1	0.0	3.2	2.3	2.0	1.4	2.4	2.3
December	1.5	1.6	2.2	2.3	1.6	0.7	1.7	3.3	0.6	1.2	1.9	1.0	0.8	1.2	1.0	2.5	1.8	1.9	2.8	1.4	1.8	1.7	0.9	0.6	3.0	1.4	1.9	1.3	2.2	2.1
2010.2																														
2019 January	1.4	1.5	1.8	2.3	2.0	1.2	1.7	2.8	0.5	1.0	1.4	0.6	0.8	0.9	2.1	2.9	1.6	1.6	2.8	1.0	2.0	1.7	0.6	0.6	3.2	1.2	2.2	1.2	2.0	1.8
February	1.5	1.6	2.0	2.4	2.4	1.1	1.7	1.9	0.8	1.1	1.6	0.8	0.7	1.1	0.8	2.8	2.0	2.1	3.2	1.3	2.6	1.4	1.3	0.9	4.0	1.3	2.3	1.3	1.9	1.9
March April	1.4 1.7	1.6 1.9	2.2 2.0	2.8 3.1	2.6 2.4	1.2 0.9	1.4 2.1	2.2 3.2	1.0 1.1	1.3 1.6	1.3 1.5	1.1 0.8	1.1 1.7	1.1 1.1	1.1 1.2	2.7 3.3	2.6 2.7	2.4 2.2	3.8 3.9	1.3 1.7	2.9 3.0	1.7 1.7	1.7 2.1	0.8 0.9	4.2 4.4	1.6 1.8	2.7 2.4	1.1 1.5	1.8 2.1	1.9 2.1
May	1.2	1.6	1.7	2.9	2.6	0.7	1.3	3.1	0.6	0.9	1.1	1.0	1.0	0.9	0.2	3.5	2.5	2.2	4.0	1.7	2.3	1.7	2.2	0.3	4.4	1.6	2.7	1.3	2.1	2.0
June	1.2	1.6	1.3	2.3	2.0	0.5	1.5	2.6	0.2	0.6	1.4	0.5	1.1	0.8	0.2	3.1	2.3	1.5	3.4	1.8	2.7	1.6	2.2	0.7	3.9	1.9	2.7	1.1	1.6	2.0
July	1.0	1.4	1.2	2.6	2.6	0.4	1.1	2.0	0.4	0.6	1.3	0.9	0.5	0.3	0.1	3.0	2.5	1.6	3.3	1.8	2.6	1.4	2.5	-0.7	4.1	2.0	3.0	1.0	1.5	2.1
August	1.0	1.4	0.9	2.5	2.6	0.5	1.0	2.1	0.1	0.4	1.3	0.6	0.6	0.5	0.6	3.1	2.5	1.4	3.2	1.9	3.1	1.5	2.6	-0.1	4.1	2.4	3.0	1.2	1.3	1.7
September	0.8	1.2	0.6	1.6	2.6	0.4	0.9	2.2	0.2	0.2	1.1	0.6	0.6	0.2	-0.5	2.3	2.0	1.1	2.9	1.6	2.7	1.2	2.4	-0.3	3.5	1.7	3.0	1.0	1.3	1.7
October	0.7	1.1	0.2	1.6	2.6	0.6	0.9	1.4	-0.3	0.2	0.9	0.6	0.6	0.2	-0.5	2.2	1.5	0.8	3.0	1.4	2.8	1.0	2.3	-0.1	3.2	1.5	2.9	0.9	1.6	1.5
November	1.0	1.3	0.4	2.2	3.0	0.6	1.2	1.8	0.5	0.5	1.2	0.8	0.8	0.2	0.5	2.0	1.7	1.0	3.4	1.3	2.6	1.2	2.4	0.2	3.8	1.4	3.2	0.8	1.8	1.5
December	1.3	1.6	0.9	3.1	3.2	0.8	1.5	1.8	1.1	0.8	1.6	1.3	1.1	0.5	0.7	2.1	2.7	1.8	4.1	1.3	2.8	1.8	3.0	0.4	4.0	2.0	3.2	1.1	1.7	1.3
2020 January	1.4 f	x	1.5 f	x	x	x	1.6 f	x	1.0 f	1.1 f	1.6 f	x	1.1 f	x	0.6 f	2.3 f	2.8 f	2.7 f	x	1.3 f	1.6 f	x	x	0.8	x	x	x	1.2 f	x	x
Symbols:	f estim	ated F	Po provis	sional	Rc revi	sed x	not avai	ilable																						
Notes:	(1) Rate	s of char	ige calcu	lated ba	sed on ir	ndexes r	ounded u	ip to two	decimal	places.																				
							-13 until														until De	cember	2014, E/	A-19 fror	n Januar	y 2015 (including	j Lithuani	a).	
0					Prices: E	U-15 un	til April 2	004, EU-	25 until	Decembe	er 2006,	EU-27 u	ntil June	2013, EL	J-28 unti	l Januar	y 2020 ar	nd EU-27	onward	s										
Source:	INE-Port																													
Code abbr	eviations	of the	Member	States																										
	BE	Belgium	1			EE	Estonia				п	Italy				HR	Croatia				PL	Poland				FI	Finland			
	BG	Bulgaria				EL	Greece				CY	Cyprus				HU	Hungary					Portuga				SE	Sweder			
	cz	Czechia				ES	Spain				LV	Latvia				мт	Malta	7			RO	Romani				UK		n Kinadom		
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	DK	Denmar				FR	France				LT	Lithuan				NL	Netherla	ands			SI	Slovenia								
	DE	German	iy			IE	Ireland				LU	Luxemt	oourg			AT	Austria				SK	Slovakia	3							
	DL	German	iy				Treigija				10	Luxem	ourg			~	Ausula				26	SIUVdKla	1							-

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