

10 February, 2012

CONSUMER PRICE INDEX

January 2012

Consumer Prices up 3.5% in January on a year earlier

The CPI recorded an annual rate of change of 3.5% in January 2012. Excluding energy and unprocessed food, the annual rate was 2.1%. On a monthly basis, the CPI increased to 0.5% (0.0% in December and 0.6% in January 2011). The CPI 12-month average rate decreased 0.1 percentage points (p.p.) to 3.6% in January.

In January 2012, the Portuguese Harmonised Index of Consumer Prices (HICP) annual inflation rate decreased to 3.4%, 0.7 p.p. above the rate estimated by Eurostat for the Euro area.

In January 2012, the annual inflation rate measured by the CPI decreased 0.1 p.p. to 3.5% (see figure 1).

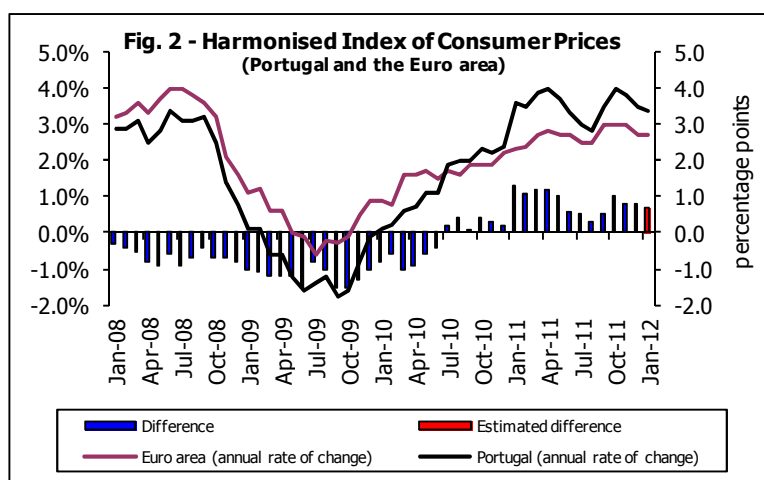
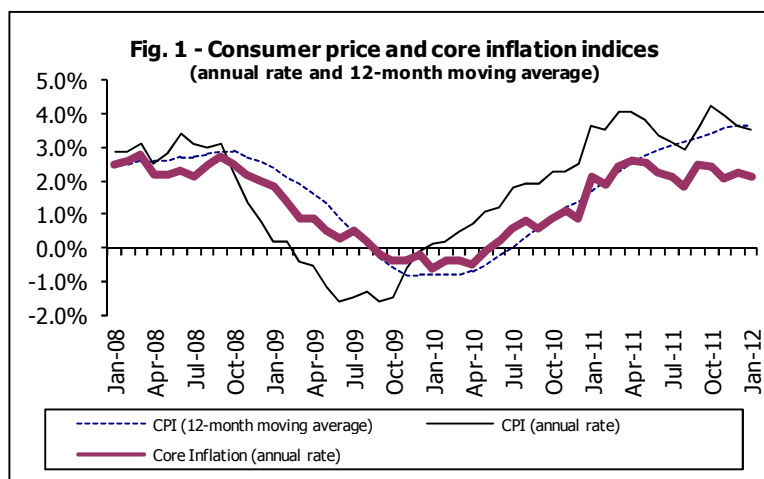
The largest upward pressure on the overall annual change rate came from increases in the prices of Housing, water, electricity, gas and other fuels, Transports and Food and non-alcoholic beverages. Reduction in the prices of Clothing and footwear led to an opposite effect.

The annual core inflation rate, which excludes energy components and unprocessed food products, decreased 0.2 p.p., to 2.1%.

It is worth mentioning that changes in Value Added Tax (VAT) rates were implemented as of 1st January 2012. For a significant number of goods and services VAT rates changed from the reduced and intermediate rate to the standard rate. Additionally, some products that were taxed at the reduced rate changed to the intermediate rate. The mechanical impact of those changes is estimated to be 1.1% on the December 2011 CPI level.

In January, the CPI monthly rate was 0.5% (0.0% in December 2011 and 0.6% in January 2011). The main upward contribution to this result came from changes in the prices of fuels, restaurants, electricity and health services.

In January 2012, the HICP annual rate decreased to 3.4% (3.5% in December 2011). On a monthly basis, the HICP rose 0.3% (0.1% and 0.5% respectively in the previous month and in January 2011). The HICP 12-month average rate decreased to 3.5% (3.6% in December 2011). In December 2011 the gap between the Portuguese and the Euro area annual change rate was 0.8 p.p. and it is estimated to have decreased to 0.7 p.p. in January 2012 (see figure 2).



The February 2012 CPI/HICP will be released on March 12th 2012

Consumer Price Index

The Consumer Price Index (CPI) is an indicator showing how the prices of a certain basket of goods and services bought by a "typical" consumer change over time. The CPI has been designed to capture price changes and not to measure price levels. Both the consumption pattern and the goods and services included in the CPI basket were derived from the year 2005/2006 Household Budget Survey and are updated annually with the most recent information on prices and quantities, if available. 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 COICOP¹ classification.

Table 1: CPI/COICOP Index 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 maintenance of the house	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 Union². 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 area³.

More information is available at <http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction>.

Rounding rules

Another relevant change in January 2011 is that the published values for the Portuguese CPI have more decimal places. The indices are rounded to three decimal places, and the rates of change are rounded to two decimal places. In practice, this change only affects the visible values, since all other calculations are performed using more precision and the values are rounded as a final step before publication. In this press release the descriptive analysis is based on rounded values to one decimal.

¹ COICOP – Classification of Individual Consumption by Purpose

² Article 109j and protocol on the convergence criteria referred to in that article.

³ "A stability oriented monetary policy strategy for the ESCB". ECB press notice released on 13 October 1998.

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

Annexes:

	Index divisions ⁽¹⁾												All-items CPI
	01	02	03	04	05	06	07	08	09	10	11	12	
	Annual average rate												
2009	-3.4	3.3	-1.7	2.1	1.7	-1.4	-3.6	-1.0	-1.6	3.5	2.4	1.9	-0.8
2010	-0.2	4.4	-1.7	4.4	1.6	-1.3	4.6	-1.9	-0.2	2.8	1.2	0.5	1.4
2011	2.09	7.95	-3.90	6.67	1.17	4.45	8.89	2.99	0.98	2.05	1.41	1.78	3.66
	Annual rate												
2010 January	-4.6	4.5	-1.5	2.6	1.8	-2.6	3.8	-0.3	-1.7	3.2	1.1	1.0	0.1
February	-4.2	4.6	-2.3	3.1	1.9	-2.2	3.4	-0.5	-1.5	3.0	1.2	0.8	0.2
March	-3.6	3.1	-1.9	3.7	1.6	-2.0	5.3	-3.1	-0.9	3.0	1.0	0.5	0.5
April	-2.7	3.2	-1.6	4.1	1.5	-1.9	5.0	-2.9	-1.2	2.9	1.0	0.2	0.7
May	-1.8	2.8	-1.5	4.4	1.4	-1.2	5.4	-2.6	-0.6	2.9	1.0	0.0	1.1
June	0.0	2.9	-1.7	4.2	1.5	0.0	3.3	-2.6	-0.7	3.0	1.0	0.4	1.2
July	1.6	3.9	-1.4	5.1	1.6	-0.3	4.1	-1.8	0.8	3.0	1.2	0.5	1.8
August	2.6	4.6	-1.8	5.0	1.7	-0.5	3.3	-1.7	1.5	3.0	1.0	0.5	1.9
September	2.5	5.2	-1.9	5.1	1.7	-2.0	4.1	-1.9	0.6	3.0	1.4	0.7	1.9
October	2.7	5.2	-1.2	5.3	1.6	-0.8	5.3	-1.9	0.4	2.0	1.6	0.8	2.3
November	2.5	5.9	-1.6	5.1	1.6	-0.2	5.1	-1.8	0.5	2.0	1.8	0.5	2.3
December	2.9	6.7	-1.9	5.4	1.5	-2.1	6.6	-2.0	0.5	2.0	1.9	0.6	2.5
2011 January	2.3	6.2	-6.1	6.4	0.6	3.2	9.8	2.5	2.2	2.1	2.2	1.1	3.6
February	2.33	8.31	-8.42	6.13	0.75	3.34	9.59	3.10	1.75	2.11	1.94	1.30	3.53
March	2.71	8.83	-1.48	5.72	0.93	3.28	9.89	4.69	1.72	2.10	2.07	1.96	4.04
April	2.38	9.57	-1.45	5.59	1.07	3.83	10.34	4.35	1.58	2.21	1.60	1.91	4.06
May	2.46	9.51	-1.99	5.32	1.28	3.48	9.49	4.01	1.80	2.11	1.27	2.18	3.80
June	1.68	9.67	-2.57	5.32	1.38	2.61	8.68	3.26	1.32	2.14	1.30	2.02	3.36
July	1.72	8.82	-6.88	4.79	1.68	4.59	8.06	2.49	0.85	2.14	1.05	2.12	3.18
August	1.32	7.98	-11.92	4.79	1.40	4.46	8.53	2.47	0.54	2.25	1.06	2.07	2.93
September	1.77	7.32	-1.66	4.68	1.44	5.84	9.23	2.43	-0.10	2.13	1.24	2.05	3.56
October	2.19	7.25	-1.48	10.71	1.40	5.90	9.03	2.15	-0.17	1.82	0.97	1.76	4.24
November	2.11	6.46	-1.49	10.52	1.24	5.50	8.18	2.14	-0.23	1.76	1.00	1.38	3.95
December	2.24	5.63	-3.76	9.95	0.97	7.48	6.07	2.27	0.53	1.76	1.23	1.56	3.62
2012 January	3.32	4.48	-3.59	9.57	-0.03	5.85	4.50	0.34	-0.41	1.63	3.36	1.70	3.51
Symbols:	f estimated	Po provisional	x not available										
Notes:	(1) The names of the divisions are given in the explanatory notes.												
	(2) For publication, all results are rounded to one decimal place until December 2010 and to two decimal places since January 2011.												
Source:	INE - Portugal												

HICP rate of change (international comparison)⁽¹⁾

	EA-16 ⁽²⁾	EICP ⁽³⁾	BE	BG	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK			
Annual average rate																																
2009	0.3	1.0	0.0	2.5	0.6	1.1	0.2	0.2	1.3	-0.3	0.1	-1.7	0.8	0.2	3.3	4.2	0.0	4.0	1.8	1.0	0.4	4.0	-0.9	5.6	0.9	0.9	1.6	1.9	2.2			
2010	1.6	2.1	2.3	3.0	1.2	2.2	1.2	2.7	4.7	2.0	1.7	-1.6	1.6	2.6	-1.2	1.2	2.8	4.7	2.0	0.9	1.7	2.7	1.4	6.1	2.1	0.7	1.7	1.9	3.3			
2011	2,7 Po	3,1 Po	3.5	3.4	2.1	2.7	2.5	5.1	3.1	3.1	2.3	x	2.9	3.5	4.2	4.1	3.7	3.9	2,4 Po	2,5 Po	3,6 Po	3.9	3.6	5.8	2.1	4.1	3.3	1.4	x			
Annual rate																																
2010 January	0.9	1.7	0.8	1.8	0.4	1.9	0.8	-1.0	2.3	0.7	1.2	-2.4	1.3	2.5	-3.3	-0.3	3.0	6.2	1.2	0.4	1.2	3.9	0.1	5.2	1.8	-0.2	1.6	2.7	3.5			
February	0.8	1.5	0.8	1.7	0.4	1.8	0.5	-0.3	2.9	0.4	1.4	-2.4	1.1	2.8	-4.3	-0.6	2.3	5.6	0.7	0.3	0.9	3.4	0.2	4.5	1.6	-0.2	1.3	2.8	3.0			
March	1.6	2.0	1.9	2.4	0.4	2.1	1.2	1.4	3.9	2.7	1.7	-2.4	1.4	2.3	-4.0	-0.4	3.2	5.7	0.6	0.7	1.8	2.9	0.6	4.2	1.8	0.3	1.5	2.5	3.4			
April	1.6	2.1	2.1	3.0	0.9	2.4	1.0	2.5	4.7	2.4	1.9	-2.5	1.6	2.5	-2.8	0.2	3.1	5.7	0.8	0.6	1.8	2.7	0.7	4.2	2.7	0.7	1.6	2.1	3.7			
May	1.7	2.1	2.5	3.0	1.0	1.9	1.2	2.8	5.3	2.5	1.9	-1.9	1.6	1.8	-2.4	0.5	3.1	4.9	1.8	0.4	1.7	2.3	1.1	4.4	2.4	0.7	1.4	1.9	3.4			
June	1.5	1.9	2.7	2.5	1.0	1.7	0.8	3.4	5.2	2.1	1.7	-2.0	1.5	2.1	-1.6	0.9	2.3	5.0	1.8	0.2	1.8	2.4	1.1	4.3	2.1	0.7	1.3	1.6	3.2			
July	1.7	2.1	2.4	3.2	1.6	2.1	1.2	2.8	5.5	1.8	1.9	-1.2	1.8	2.7	-0.7	1.7	2.9	3.6	2.5	1.3	1.7	1.9	1.9	7.1	2.3	1.0	1.3	1.4	3.1			
August	1.6	2.0	2.4	3.2	1.5	2.3	1.0	2.8	5.6	1.6	1.6	-1.2	1.8	3.4	-0.4	1.8	2.5	3.6	3.0	1.2	1.6	1.9	2.0	7.6	2.4	1.1	1.3	1.1	3.1			
September	1.9	2.3	2.9	3.6	1.8	2.5	1.3	3.8	5.7	2.8	1.8	-1.0	1.6	3.6	0.3	1.8	2.6	3.7	2.4	1.4	1.7	2.5	2.0	7.7	2.1	1.1	1.4	1.5	3.1			
October	1.9	2.3	3.1	3.6	1.8	2.4	1.3	4.5	5.2	2.5	1.8	-0.8	2.0	3.2	0.9	2.6	2.9	4.3	2.2	1.4	2.0	2.6	2.3	7.9	2.1	1.0	2.3	1.6	3.2			
November	1.9	2.3	3.0	4.0	1.9	2.5	1.6	5.0	4.8	2.3	1.8	-0.8	1.9	1.7	1.7	2.5	2.5	4.0	3.4	1.4	1.8	2.6	2.2	7.7	1.6	1.0	2.4	1.7	3.3			
December	2.2	2.7	3.4	4.4	2.3	2.8	1.9	5.4	5.2	2.9	2.0	-0.2	2.1	1.9	2.4	3.6	3.1	4.6	4.0	1.8	2.2	2.9	2.4	7.9	2.2	1.3	2.8	2.1	3.7			
2011 January	2.3	2.8	3.7	4.3	1.9	2.6	2.0	5.1	4.9	3.0	2.0	0.2	1.9	3.0	3.5	2.8	3.4	4.0	3.3	2.0	2.5	3.5	3.6	7.0	2.3	3.2	3.1	1.4	4.0			
February	2.4	2.9	3.5	4.6	1.9	2.6	2.2	5.5	4.2	3.4	1.8	0.9	2.1	3.1	3.8	3.0	3.9	4.2	2.7	2.0	3.1	3.3	3.5	7.6	2.0	3.5	3.5	1.2	4.4			
March	2.7	3.1	3.5	4.6	1.9	2.5	2.3	5.1	4.3	3.3	2.2	1.2	2.8	3.2	4.1	3.7	4.0	4.6	2.8	2.0	3.3	4.0	3.9	8.0	2.4	3.8	3.5	1.4	4.0			
April	2.8	3.3	3.3	3.3	1.6	2.8	2.7	5.4	3.7	3.5	2.2	1.5	2.9	3.5	4.3	4.4	4.0	4.4	2.4	2.2	3.7	4.1	4.0	8.4	2.0	3.9	3.4	1.8	4.5			
May	2.7	3.2	3.1	3.4	2.0	3.1	2.4	5.5	3.1	3.4	2.2	1.2	3.0	4.1	4.8	5.0	3.8	3.9	2.5	2.4	3.7	4.3	3.7	8.5	2.4	4.2	3.4	1.7	4.5			
June	2.7	3.1	3.4	3.5	1.9	2.9	2.4	4.9	3.1	3.0	2.3	1.1	3.0	4.5	4.7	4.8	3.8	3.5	3.1	2.5	3.7	3.7	3.3	8.0	1.6	4.1	3.4	1.5	4.2			
July	2.5	2.9	4.0	3.4	1.9	3.0	2.6	5.3	2.1	3.0	2.1	1.0	2.1	3.5	4.2	4.6	3.2	3.1	2.2	2.9	3.8	3.6	3.0	4.9	1.1	3.8	3.7	1.6	4.4			
August	2.5	2.9	3.4	3.1	2.1	2.4	2.5	5.6	1.4	2.7	2.4	1.0	2.3	2.7	4.6	4.4	3.7	3.5	2.3	2.8	3.7	4.0	2.8	4.3	1.2	4.1	3.5	1.6	4.5			
September	3.0	3.3	3.4	2.9	2.1	2.4	2.9	5.4	2.9	3.0	2.4	1.3	3.6	2.5	4.5	4.7	3.8	3.7	2.7	3.0	3.9	3.5	3.5	3.5	2.3	4.4	3.5	1.5	5.2			
October	3.0	3.4	3.4	3.0	2.6	2.7	2.9	4.7	2.9	3.0	2.5	1.5	3.8	3.2	4.3	4.2	3.8	3.8	2.4	2.8	3.8	3.8	4.0	3.6	2.9	4.6	3.2	1.1	5.0			
November	3.0	3.4	3.7	2.6	2.9	2.5	2.8	4.4	2.8	2.9	2.7	1.7	3.7	4.0	4.0	4.4	4.0	4.3	1.5	2.7	3.9	Rc	4.4	3.8	3.5	2.8	4.8	3.2	1.1	4.8		
December	2.7 Po	3.0 f	3.2	2.0	2.8	2.4	2.3	4.1	2.2	2.4	2.7	1.4	3.7	4.2	3.9	3.5	3.4	4.1	1.3	Po	2.5	Po	3.4	Po	4.5	3.5	3.2	2.1	4.6	2.6	0.4	x
2012 January	2.7 f	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	3.4	x	x	x	x	x	x			

Symbols: f estimated Po provisional Rc revised x not available

Notes: (1) From January 2006 onwards: base 100=2005; index rates of change calculated based on indexes rounded up to two decimal places.
(2) Member States belonging to the Euro Area: EA-13 until December 2007, EA-15 until December 2008 (including Malta and Cyprus), EA-16 from January 2009, EA-16 from January 2011 (including Estonia).
(3) European Index of Consumer Prices: EU-15 until April 2004, EU-25 until December 2006 and EU-27 onwards.

Source: INE-Portugal and Eurostat.

Code abbreviations of the Member States:

BE Belgium	EE Estonia	IT Italy	HU Hungary	PT Portugal	SE Sweden
BG Bulgaria	EL Greece	CY Cyprus	MT Malta	RO Romania	UK United Kingdom
CZ Czech Republic	ES Spain	LV Latvia	NL Netherlands	SI Slovenia	
DK Denmark	FR France	LT Lithuania	AT Austria	SK Slovakia	
DE Germany	IE Ireland	LU Luxembourg	PL Poland	FI Finland	