

12 August 2019

Consumer Price Index  
July 2019

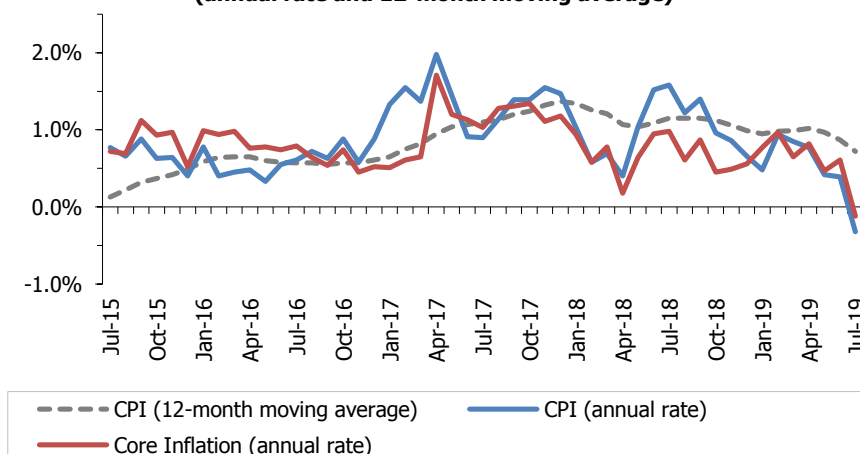
**CPI annual rate of change down to -0.3%**

The Consumer Price Index (CPI) annual rate was -0.3% in July 2019 (0.4% in June). This evolution is largely due to the negative contribution of changes in the prices of *Restaurants and hotels*. Lower prices of *Clothing and footwear*, for which the end of season discounts have been more intense in 2019 than in the previous year, and a decrease in the VAT rates for electricity and natural gas, have also influenced this result. The annual core inflation rate, which excludes energy and unprocessed food products, was -0.1% (0.6% in the previous month).

The CPI monthly rate was -1.3% (nil in the previous month and -0.6% in July 2018), while the CPI 12-month average rate was 0.7% (0.9% in June).

In July 2019, the Portuguese Harmonised Index of Consumer Prices (HICP) annual rate was -0.7% (0.7% in the previous month), reflecting the higher relative weight of *Restaurants and hotels* in the HICP compared to the CPI (see Table 2 on page 4 of this press release). This rate is 1.8 percentage points (p.p.) below the figure estimated by Eurostat for the Euro area (in the previous month, this difference was 0.6 p.p.).

**Fig. 1 - Consumer price and core inflation indices  
(annual rate and 12-month moving average)**



**Consumer Price Index (base 100 = 2012)**

In July 2019, the annual inflation rate was -0.3%, 0.7 p.p. below 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 July 31<sup>st</sup> (for further details on the differences between estimated and final CPI figures, see Table 3 on page 4 of this press release).

The annual core inflation rate, which excludes energy and unprocessed food products, was -0.1% (0.6% in the previous month). The unprocessed food aggregate recorded an annual rate of 0.2% in July (1.0% in June) while energy presented an annual rate of -2.8% (-2.5% in the previous month).

The largest downward contributions to the overall annual rate of change came from changes in the prices of *Clothing and footwear, Restaurants and hotels* and *Communications*. Conversely, the main upward contributions came from the price increases in *Miscellaneous goods and services, Transports and Alcoholic beverages and tobacco*.

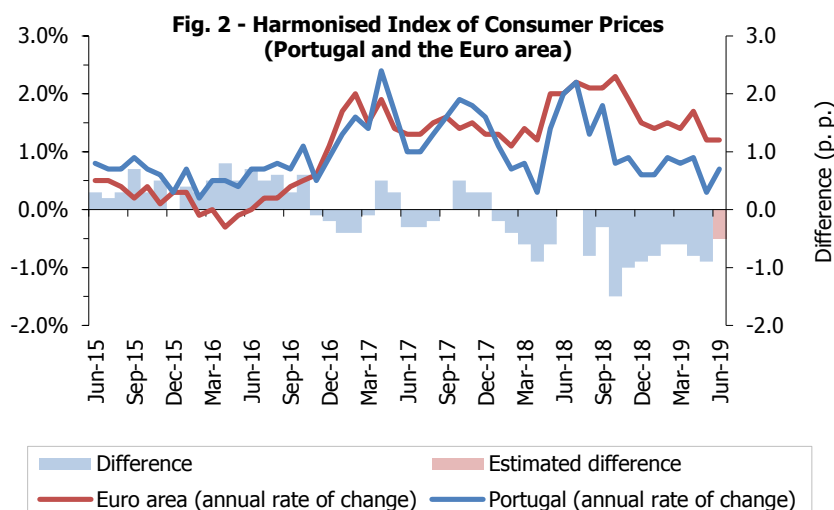
In July 2019, the CPI monthly rate was -1.3% (nil in the previous month and -0.6% in July 2018). The main downward contribution was observed in *Clothing and footwear*. Conversely, the major upward contribution to the monthly rate of change came from price changes in *Transports*.

The CPI 12-month average rate was 0.7% in July (0.9% in the previous month).

### Harmonised Index of Consumer Prices (base 100 = 2015)

In July, the Portuguese HICP annual rate was -0.7% (0.7% in the previous month) and the monthly rate was -1.7% (0.4% in June and -0.4% in July 2018).

In June 2019, the annual rate of change of the Portuguese HICP was 0.6 p.p. below the Euro area rate. This difference is estimated to have increased to 1.8 p.p. in July 2019.



The HICP 12-month average rate was 0.7% in July (1.0% in the previous month).

### Housing Rents

In July, the annual change rate of the housing rents for the whole country was 3.2% (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% (the same value as in June). The main increase was observed in the Lisboa region (0.3%), with all the remaining regions also presenting raises in housing rent values.

## 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 2019 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 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 Union<sup>1</sup>. 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 area<sup>2</sup>.

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

<sup>2</sup> 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 2019 weighting structures**

COICOP divisions		CPI	HICP
01	Food and non-alcoholic beverages	202.1	192.6
02	Alcoholic beverages and tobacco	38.0	37.0
03	Clothing and footwear	71.9	73.0
04	Housing, water, electricity, gas and other fuels	98.5	91.3
05	Furnishings, household equipment and routine maintenance of the house	61.0	58.9
06	Health	63.6	60.1
07	Transport	158.0	154.6
08	Communication	30.1	27.9
09	Recreation and culture	76.4	62.0
10	Education	15.2	14.0
11	Restaurants and hotels	85.1	135.1
12	Miscellaneous goods and services	100.2	93.5
00	All items	<b>1 000<sup>1</sup></b>	<b>1 000</b>

<sup>1</sup> Due to rounding, the sum of the parts may not add exactly to 1000.

### 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

	Differences last 24 months (p.p.)			Differences last 3 months (p.p.)		
	Mean	Max	Min	May-19	Jun-19	Jul-19
Total	-0.02	0.04	-0.09	-0.09	0.01	<b>0.00</b>
All items excluding housing	-0.02	0.03	-0.09	-0.09	0.01	<b>0.00</b>
All items excl. unproc. food and energy	-0.02	0.04	-0.15	-0.09	0.01	<b>0.00</b>
Unprocessed food	-0.02	0.05	-0.16	-0.04	0.00	<b>0.02</b>
Energy	0.01	0.26	-0.14	-0.04	-0.04	<b>-0.01</b>

### Next press releases

The August 2019 flash estimate will be available on August 30<sup>th</sup>, 2019.

The August 2019 CPI/HICP will be released on September 11<sup>th</sup>, 2019.

## Annex:

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

	Index divisions <sup>(1)</sup>												All-items CPI
	01	02	03	04	05	06	07	08	09	10	11	12	
	Annual average rate (%)												
2016	0.49	2.61	-0.39	0.39	0.43	-0.61	-0.56	3.17	1.02	0.89	2.21	0.60	0.61
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
	Annual rate (%)												
2017 July	0.31	2.26	-2.47	0.51	-0.79	0.60	1.09	3.69	2.54	0.85	3.68	0.86	0.90
August	0.37	2.25	-1.90	0.65	-0.57	0.64	1.73	3.83	2.79	0.85	3.91	1.12	1.14
September	1.12	2.61	-3.44	1.33	-0.45	0.70	2.61	3.09	1.53	0.87	4.48	1.25	1.39
October	1.32	1.88	-3.70	1.18	-0.44	0.83	2.60	2.46	-0.19	1.21	6.01	1.43	1.39
November	2.43	2.63	-3.63	1.26	-0.40	0.84	3.57	1.47	0.16	1.23	3.77	1.19	1.55
December	2.28	2.04	-3.43	1.31	-0.26	1.02	3.83	0.12	0.13	1.24	3.02	1.12	1.47
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

**Note:** (1) The names of the divisions are given in the explanatory notes.

**Source:** INE - Portugal

## HICP rate of change (international comparison)<sup>(1)</sup>

	EA-19 <sup>(2)</sup>	EICP <sup>(3)</sup>	BE	BG	CZ	DK	DE	EE	EL	ES	FR	HR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
	Annual average rate (%)																													
2016	<b>0.2</b>	0.3	1.8	-1.3	0.6	0.0	0.4	0.8	0.0	-0.3	0.3	-0.6	-0.2	-0.1	-1.2	0.1	0.7	0.0	0.4	0.9	0.1	1.0	-0.2	<b>0.6</b>	-1.1	-0.2	-0.5	0.4	1.1	0.7
2017	<b>1.5</b>	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	<b>1.6</b>	1.1	1.6	1.4	0.8	1.9	2.7
2018	<b>1.8</b>	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	<b>1.2</b>	4.1	1.9	2.5	1.2	2.0	2.5
	Annual rate (%)																													
2017 July	<b>1.3</b>	1.5	1.8	0.6	2.4	1.5	1.7	3.9	0.9	1.7	0.8	1.2	-0.2	1.2	-0.1	2.6	4.1	1.8	2.2	1.2	1.5	2.0	1.4	<b>1.0</b>	0.9	1.2	1.5	0.6	2.3	2.6
August	<b>1.5</b>	1.7	2.0	0.7	2.4	1.5	1.9	4.2	0.6	2.0	1.0	1.5	0.4	1.4	0.5	3.2	4.6	2.3	2.7	1.2	1.5	2.1	1.4	<b>1.3</b>	0.6	1.4	1.6	0.8	2.2	2.9
September	<b>1.6</b>	1.8	2.0	1.3	2.5	1.6	1.9	3.9	1.0	1.8	1.1	1.6	0.2	1.3	0.1	3.0	4.6	2.0	2.5	1.2	1.4	2.5	1.6	<b>1.6</b>	1.3	1.4	1.8	0.8	2.2	3.0
October	<b>1.4</b>	1.7	1.8	1.5	2.8	1.4	1.5	4.0	0.5	1.7	1.2	1.6	0.5	1.1	0.4	2.7	4.2	2.0	2.2	1.5	1.3	2.4	1.6	<b>1.9</b>	2.0	1.3	1.8	0.5	1.7	3.0
November	<b>1.5</b>	1.8	2.1	1.9	2.5	1.3	1.7	4.5	1.1	1.8	1.2	1.6	0.5	1.1	0.2	2.7	4.2	2.0	2.6	1.5	1.5	2.4	2.0	<b>1.8</b>	2.6	1.4	2.1	0.9	1.9	3.1
December	<b>1.3</b>	1.6	2.1	1.8	2.2	0.8	1.5	3.8	1.0	1.2	1.2	1.3	0.5	1.0	-0.4	2.2	3.8	1.6	2.2	1.3	1.2	2.3	1.7	<b>1.6</b>	2.6	1.9	2.0	0.5	1.7	3.0
2018 January	<b>1.3</b>	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	<b>1.1</b>	3.4	1.7	2.6	0.8	1.6	3.0
February	<b>1.1</b>	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	<b>0.7</b>	3.8	1.4	2.2	0.6	1.6	2.7
March	<b>1.4</b>	1.6	1.5	1.9	1.6	0.4	1.7	2.9	0.2	1.3	1.7	1.2	0.5	0.9	-0.4	2.3	2.5	1.1	2.0	1.3	1.0	2.0	0.7	<b>0.8</b>	4.0	1.5	2.5	0.9	2.0	2.5
April	<b>1.2</b>	1.5	1.6	1.7	1.8	0.7	1.3	2.9	0.5	1.1	1.8	1.4	-0.1	0.6	-0.3	2.1	2.2	1.3	2.4	1.4	1.0	2.0	0.9	<b>0.3</b>	4.3	1.9	3.0	0.8	1.8	2.4
May	<b>2.0</b>	2.0	2.3	2.3	2.0	1.0	2.5	3.1	0.8	2.1	2.3	1.8	0.7	1.0	1.0	2.4	2.9	2.1	2.9	1.7	1.9	2.1	1.2	<b>1.4</b>	4.6	2.2	2.7	1.0	2.0	2.4
June	<b>2.0</b>	2.1	2.6	3.0	2.4	1.1	2.1	3.9	1.0	2.3	2.3	2.2	0.7	1.4	1.7	2.7	2.6	2.4	3.2	2.0	1.7	2.3	1.4	<b>2.0</b>	4.7	2.3	2.9	1.2	2.1	2.4
July	<b>2.2</b>	2.2	2.7	3.6	2.2	0.9	2.2	3.3	0.8	2.3	2.6	2.2	1.0	1.9	1.4	2.7	2.3	2.5	3.4	2.1	1.9	2.3	1.4	<b>2.2</b>	4.3	2.1	2.6	1.4	2.2	2.5
August	<b>2.1</b>	2.2	2.6	3.7	2.4	0.8	2.1	3.5	0.9	2.2	2.6	2.1	0.9	1.6	1.7	2.8	1.8	2.4	3.4	2.4	1.9	2.3	1.4	<b>1.3</b>	4.7	2.0	2.9	1.4	2.1	2.7
September	<b>2.1</b>	2.2	2.8	3.6	2.1	0.5	2.2	3.5	1.1	2.3	2.5	1.6	1.2	1.5	1.7	3.3	2.4	2.7	3.7	2.5	1.6	2.1	1.5	<b>1.8</b>	4.7	2.2	2.7	1.4	2.5	2.4
October	<b>2.3</b>	2.3	3.2	3.6	2.0	0.7	2.6	4.5	1.8	2.3	2.5	1.7	1.1	1.7	1.9	3.2	2.8	2.8	3.9	2.1	1.9	2.4	1.5	<b>0.8</b>	4.2	2.3	2.5	1.7	2.4	2.4
November	<b>1.9</b>	2.0	2.9	3.0	1.6	0.7	2.2	3.2	1.1	1.7	2.2	1.3	0.8	1.6	1.6	2.9	2.4	2.6	3.2	1.4	1.8	2.3	1.1	<b>0.9</b>	3.2	2.1	2.0	1.4	2.1	2.3
December	<b>1.5</b>	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	1.2	1.8	1.7	0.9	<b>0.6</b>	3.0	1.4	1.9	1.3	2.2	2.1
2019 January	<b>1.4</b>	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	<b>0.6</b>	3.2	1.2	2.2	1.2	2.0	1.8
February	<b>1.5</b>	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	<b>0.9</b>	4.0	1.3	2.3	1.3	1.9	1.9
March	<b>1.4</b>	1.6	2.2	2.8	2.6	1.2	1.4	2.2	1.0	1.3	1.3	1.1	1.1	1.1	1.1	2.7	2.6	2.4	3.8	1.3	2.9	1.7	1.7	<b>0.8</b>	4.2	1.6	2.7	1.1	1.8	1.9
April	<b>1.7</b>	1.9	2.0	3.1	2.4	0.9	2.1	3.2	1.1	1.6	1.5	0.8	1.7	1.1	1.2	3.3	2.7	2.2	3.9	1.7	3.0	1.7	2.1	<b>0.9</b>	4.4	1.8	2.4	1.5	2.1	2.1
May	<b>1.2</b>	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	<b>0.3</b>	4.4	1.6	2.7	1.3	2.1	2.0
June	<b>1.3</b>	1.6	1.3	2.3	2.4	0.5	1.5	2.6	0.2	0.6	1.4	0.5	1.1	0.8	0.3	3.1	2.4	1.5	3.4	1.8	2.7	1.6	2.3	<b>0.7</b>	3.9	1.9	2.7	1.1	1.6	x
July	<b>1.1 f</b>	x	1.3 f	x	x	x	1.1 f	x	0.6 f	0.7 f	1.3 f	x	x	0.4 f	0.1 f	2.9 f	2.5 f	1.6 f	x	1.8 f	x	x	2.5 f	<b>-0.7</b>	x	2.0 f	2.9 f	1.0 f	x	x

**Symbols:** f estimated Po provisional Rc revised x not available

**Notes:** (1) 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, EA-16 until December 2010, EA-17 until December 2013, EA-18 until December 2014, EA-19 from January 2015 (including Lithuania).

(3) European Index of Consumer Prices: EU-15 until April 2004, EU-25 until December 2006, EU-27 until June 2013 and EU-28 onwards.

**Source:** INE-Portugal and Eurostat.

**Code abbreviations of the Member States:**

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