INSTITUTO NACIONAL DE ESTATÍSTICA
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PRESS RELEASE

CONSUMER PRICE INDEX

November 2008

Consumer Prices up 1.4 in November on a year earlier

The Portuguese Consumer Price Index (CPI) rose 1.4% in November 2008 when compared with November 2007. On a monthly basis, the CPI changed by -0.6% (-0.2% in October 2008 and +0.3 in November 2007). The CPI 12-month average rate of change decreased to 2.7% in November.

In November, the Portuguese Harmonised Index of Consumer Prices (HICP) increased 1.4% when compared with the same month of the previous year, 0.7 percentage points below the rate estimated by Eurostat for the Euro area.

Consumer prices grew 1.4% in November 2008 when compared with November of the previous year, 0.9 percentage points (p.p.) lower than the observed in the previous month (see figure 1).

The main downward pressure on the overall annual rate of change came from changes in the prices of Food and non-alcoholic beverages and Transports.
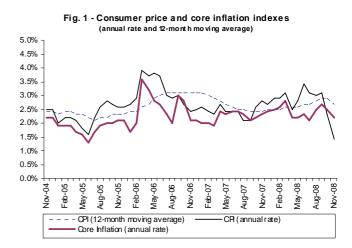
The core inflation index, which excludes energy components and fresh unprocessed food products, rose at a higher rate than the CPI (2.2%), 0.3 p.p. lower than in the previous month.
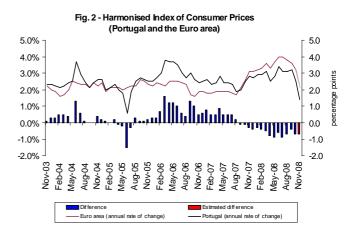
In November, the main downward contributions to the CPI monthly rate came from changes in the prices of Transports (-2.5%), mainly due to the decrease in the prices of fuels and lubricants (-8.9%).

In contrast, the main upward contributions were found in Clothing and footwear (0.4%) and Housing, water, electricity, gas and other fuels (0.1%).

In November, the HICP for Portugal rose 1.4% when compared with November 2007, 1.1 p.p. lower than the observed in the previous month. On a monthly basis the HICP decreased 0.7%. The HICP 12-month average rate decreased to 2.8%.

In October the gap between the Portuguese and the Euro-area annual rate of change was -0.7 p.p. and it is estimated to have remained constant in November 2008 (see figure 2).

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

- - - CPI (12-month moving average)   —— CPI (annual rate)
—— Core Inflation (annual rate)

Fig. 2 - Harmonised Index of Consumer Prices
(Portugal and the Euro area)

■ Difference   ■ Estimated difference
—— Euro area (annual rate of change)   —— Portugal (annual rate of change)

The December 2008 CPI/HICP will be released on January 15th 2009

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 2000 Household Budget Survey and are updated annually with the most recent information on prices and quantities. 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 COICOP 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. In the publication *Síntese Económica de Conjuntura* is released a core inflation indicator based on a different methodological approach (factorial analysis) and, for this reason, it is possible that differences between the values shown by the two measures exist.

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 area [2].

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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.

Annexes:

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

	01	02	03	04	05	06	07	08	09	10	11	12	All-items CPI
Index divisions [1]													All-items CPI
Annual average rate													
2005	-0.6	4.8	-1.1	4.4	1.3	0.9	5.8	-0.2	1.6	7.0	2.4	2.2	2.3
2006	2.7	9.7	0.5	3.9	1.0	1.5	5.5	-0.9	1.2	5.2	2.3	3.3	3.1
2007	2.4	4.9	2.2	3.6	1.6	7.4	1.6	-1.8	0.3	3.7	2.6	2.4	2.5
Annual rate													
2006 November	3.3	9.4	-0.6	3.2	0.9	4.3	1.5	-1.0	0.2	4.0	2.6	3.7	2.4
December	3.1	9.4	-0.9	3.2	0.8	5.5	2.2	-1.3	0.7	4.0	2.2	3.7	2.5
2007 January	4.1	0.8	1.9	3.9	1.5	5.5	1.5	-1.3	0.6	4.0	2.3	3.3	2.6
February	3.6	0.4	0.7	3.6	1.4	6.0	0.8	-1.1	1.8	3.9	2.5	3.2	2.4
March	3.1	0.5	1.0	3.5	2.1	6.3	1.7	-1.8	0.1	3.5	2.4	3.1	2.3
April	3.5	6.1	1.4	3.5	1.7	10.6	1.3	-2.2	0.1	3.5	2.5	2.9	2.7
May	2.2	6.3	1.5	3.5	1.8	9.6	1.2	-2.0	0.2	3.5	2.5	2.5	2.4
June	1.4	6.5	2.9	3.5	1.8	9.3	1.6	-1.9	-0.1	3.5	2.6	2.3	2.4
July	1.8	6.3	4.8	3.8	1.5	8.9	0.7	-1.9	-0.2	3.4	2.6	2.2	2.4
August	1.6	6.3	2.8	3.8	1.7	8.3	-0.2	-2.0	0.0	3.4	2.8	2.3	2.1
September	1.8	6.2	0.6	3.7	1.6	7.9	0.7	-2.0	0.3	2.9	2.8	1.7	2.1
October	2.4	6.3	2.8	3.3	1.4	6.8	2.3	-1.9	0.3	4.5	2.5	1.8	2.6
November	2.2	6.3	2.9	3.6	1.2	5.5	3.6	-1.9	0.7	4.4	2.5	2.8	2.8
December	1.7	6.3	3.1	3.7	1.1	4.7	3.5	-1.6	0.4	4.4	2.8	1.8	2.7
2008 January	2.0	6.5	3.1	3.9	1.2	5.2	3.4	-1.7	0.3	4.3	3.5	2.2	2.9
February	2.3	9.4	3.1	3.8	1.4	4.3	2.9	-1.9	0.8	4.4	3.4	2.2	2.9
March	3.6	12.1	2.3	4.0	1.4	4.3	2.3	-1.4	0.6	3.4	3.7	2.8	3.1
April	3.0	6.5	2.0	4.4	1.7	-0.2	2.0	-0.8	0.0	4.4	3.4	2.4	2.5
May	3.9	6.9	1.7	4.4	1.6	0.1	2.6	-0.9	0.0	4.4	3.5	2.3	2.8
June	5.8	6.8	1.5	4.5	1.7	0.3	3.4	-0.9	0.3	4.4	3.7	2.4	3.4
July	5.7	7.1	-2.1	3.5	1.8	0.5	3.6	-3.2	0.3	4.5	3.6	2.6	3.1
August	5.0	6.9	1.5	3.6	1.8	0.6	2.9	-3.0	0.7	4.5	3.6	2.7	3.0
September	4.7	7.1	4.1	3.7	1.8	0.9	2.5	-3.0	1.0	4.5	3.7	2.6	3.1
October	3.5	7.0	1.3	4.2	1.8	0.6	0.5	-2.7	1.2	3.3	4.3	2.9	2.3
November	2.8	7.1	1.1	3.8	1.8	0.2	-3.1	-2.9	0.6	3.4	4.1	2.8	1.4

Symbols: f estimated   Po provisional   x not available

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

Source: INE - Portugal

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HICP rate of change (international comparison)[1]

	EA-15[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																												
2005	2,2	2,2	2.5	6,0	1.6	1.7	1.9	4.1	3.5	3.4	1.9	2.2	2.2	2.0	6.9	2.7	3.8	3.5	2.5	1.5	2.1	2.2	2.1	9.1	2.5	2.8	0.8	0.8	2.1
2006	2,2	2,2	2.3	7,4	2.1	1.9	1.8	4.4	3.3	3.6	1.9	2.7	2.2	2.2	6.6	3.8	3.0	4.0	2.6	1.7	1.7	1.3	3.0	6.6	2.5	4.3	1.3	1.5	2.3
2007	2,1	2,3	1.8	7.6	3.0	1.7	2.3	6.7	3.0	2.8	1.6	2.9	2.0	2.2	10.1	5.8	2.7	7.9	0.7	1,6	2,2	2.6	2.4	4.9	3.8	1.9	1.6	1.7	2.3
	Annual rate																												
2006 November	1,9	2,1	2.0	5,9	1.0	1.8	1.5	4.7	3.2	2.7	1.6	2.4	2.0	1.3	6.3	4.4	1.8	6.4	0.9	1,6	1,6	1.3	2.4	4.7	2.4	3.7	1.3	1.5	2.7
December	1,9	2,2	2.1	6,1	1.5	1.7	1.4	5.1	3.2	2.7	1.7	3.0	2.1	1.5	6.8	4.5	2.3	6.6	0.8	1,7	1.6	1.4	2.5	4.9	3.0	3.7	1.2	1.4	3.0
2007 January	1.8	2.1	1.7	6,8	1.4	1.8	1.8	5.0	3.0	2.4	1.4	2.9	1.9	1.4	7.1	4.0	2.3	8.4	1.2	1,2	1,7	1,6	2.6	4.1	2.8	2.2	1.3	1.6	2.7
February	1.8	2.1	1.8	4.6	1.7	1.9	1.9	4.6	3.0	2.5	1.2	2.6	2.1	1.2	7.2	4.4	1.8	9.0	0.8	1,4	1,7	1.9	2.3	3.9	2.3	2.0	1.2	1.7	2.8
March	1,9	2,3	1.8	4.4	2.1	1.9	2.0	5.6	2.8	2.5	1.2	2.9	2.1	1.4	8.5	4.8	2.4	9.0	0.5	1,9	1,9	2.4	2.4	3.7	2.6	2.1	1.6	1.6	3.1
April	1,9	2,2	1.8	4.4	2.7	1.7	2.0	5.6	2.6	2.5	1.3	2.9	1.8	1.6	8.8	4.9	2.5	8.7	-1.1	1,9	1,8	2.2	2.8	3.8	2.9	2.0	1.5	1.6	2.8
May	1,9	2,1	1.3	4.5	2.4	1.7	2.0	5.9	2.6	2.4	1.2	2.7	1.9	1.9	7.8	5.0	2.3	8.4	-1.0	2,0	1,9	2.3	2.4	3.9	3.1	1.5	1.3	1.2	2.5
June	1,9	2,1	1.3	5.3	2.6	1.3	2.0	6.0	2.6	2.5	1.3	2.8	1.9	1.7	8.9	5.0	2.3	8.5	-0.6	1,8	1,9	2.6	2.4	3.9	3.8	1.5	1.4	1.3	2.4
July	1.8	2,0	1.3	6.8	2.5	1.1	2.0	6.5	2.7	2.3	1.2	2.7	1.7	2.3	9.5	5.1	2.0	8.3	-0.2	1,4	2,0	2.5	2.3	4.1	4.0	1.2	1.6	1.4	1.9
August	1.7	1,9	1.2	9.3	2.6	0.9	2.0	6.1	2.7	2.2	1.3	2.3	1.7	2.2	10.2	5.6	1.9	7.1	0.6	1,1	1,7	2.1	1.9	5.0	3.4	1.2	1.3	1.2	1.8
September	2.1	2.2	1.4	11.0	2.8	1.2	2.7	7.5	2.9	2.7	1.6	2.9	1.7	2.3	11.5	7.1	2.5	6.4	0.9	1.3	2.1	2.7	2.0	6.1	3.6	1.7	1.7	1.6	1.8
October	2.6	2.7	2.2	10.6	4.0	1.8	2.7	8.7	3.0	3.6	2.1	3.0	2.3	2.7	13.2	7.6	3.6	6.9	1.6	1.6	2,9	3.1	2.5	6.9	5.1	2.4	1.8	1.9	2.1
November	3,1	3,1	2.9	11.4	5.1	2.5	3.3	9.3	3.9	4.1	2.6	3.5	2.6	3.2	13.7	7.9	4.0	7.2	2.9	1.8	3,2	3.7	2.8	6.8	5.7	2.3	2.2	2.4	2.1
December	3,1	3,2	3.1	11.6	5.5	2.4	3.1	9.7	3.9	4.3	2.8	3.2	2.8	3.7	14.0	8.2	4.3	7.4	3.1	1.6	3,5	4.2	2.7	6.7	5.7	2.5	1.9	2.5	2.1
2008 January	3,2	3,4	3.5	11,7	7.9	3.0	2,9	11.3	3.9	4.4	3.2	3.1	3.1	4.1	15.6	10.0	4.2	7.4	3.8	1,8	3,1	4,4	2.9	7.3	6.4	3.2	3.5	3.0	2.2
February	3,3	3,5	3.6	12.2	7.6	3.3	3,0	11.5	4.5	4.4	3.2	3.5	3.1	4.7	16.5	10.9	4.2	6.7	4.0	2,0	3,1	4.6	2.9	8.0	6.4	3.4	3.3	2.9	2.5
March	3,6	3,8	4.4	13.2	7.1	3.3	3.3	11.2	4.4	4.6	3.5	3.7	3.6	4.4	16.6	11.4	4.4	6.7	4.3	1,9	3,5	4.4	3.1	8.7	6.6	3.6	3.6	3.3	2.5
April	3,3	3,6	4.1	13.4	6.7	3.4	2.6	11.6	4.4	4.2	3.4	3.3	3.6	4.3	17.4	11.9	4.3	6.8	4.1	1,7	3,4	4.3	2.5	8.7	6.2	3.7	3.3	3.2	3.0
May	3,7	4,0	5.1	14.0	6.8	3.6	3.1	11.4	4.9	4.7	3.7	3.7	3.7	4.6	17.7	12.3	4.8	6.9	4.1	2,1	3,7	4.3	2.8	8.5	6.2	4.0	4.1	3,7	3.3
June	4,0	4,3	5.8	14.7	6.6	4.2	3.4	11.5	4.9	5.1	4.0	3.9	4.0	5.2	17.5	12.7	5.3	6.6	4.4	2,3	4,0	4.3	3.4	8.7	6.8	4.3	4.3	4,0	3.8
July	4,0	4,4	5.9	14.4	6.8	4.4	3.5	11.2	4.9	5.3	4.0	3.6	4.0	5.3	16.5	12.4	5.8	7.0	5.6	3.0	3,8	4.5	3.1	9.1	6.9	4.4	4.3	3,8	4.4
August	3,8	4,3	5.4	11.8	6.2	4.8	3.3	11.1	4.8	4.9	3.5	3.2	4.2	5.1	15.6	12.2	4.8	6.4	5.0	3.6	4,4	4.4	3.1	8.1	6.0	4.4	4.6	4.1	4.7
September	3,6	4,2	5.5	11.4	6.4	4.5	3.0	10.8	4.7	4.6	3.3	3.2	3.9	5.0	14.7	11.3	4.8	5.6	4.9	2.8	3,7	4.1	3.2	7.3	5.6	4.5	4.7	4.2	5.2
October	3,2Po	3,7Po	4.8	11.2	5.7	3.8	2.5	10.1	4.0	3.6	3.0	2.7	3.6	4.8	13.7	10.7	3.9	5.1	5.8	2,5Po	3,0Po	4.0	2.5	7.4	4.8	4.2	4.4	3.4	x
November	2,1 f	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	1.4	x	x	x	x	x	x

Symbols: f estimated Po provisional R 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 from January 2008 (including Malta and Cyprus).
(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	

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