

# **Calculation of the Annual Variation Rate of the Competitiveness Guarantee Index**

## **Methodology**

**December 2024**

# Calculation of the Annual Variation Rate of the Competitiveness Guarantee Index

The annual variation rate of the Competitiveness Guarantee Index (CGI) for month  $m$  from year  $t$  is calculated using the following formula:

$$VIGC^{mt} = VIPCA\_UM^{mt} - \alpha \times (VIPCA\_ESP^{mt/m1999} - VIPCA\_UM^{mt/m1999}),$$

where:

$VIGC^{mt}$ , is the annual variation rate of the Competitiveness Guarantee Index for month  $m$  from year  $t$ ,

$VIPCA\_UM^{mt}$ , is the annual change of the Harmonised Index of Consumer Prices of the Monetary Union for month  $m$  from year  $t$ ,

$VIPCA\_ESP^{mt/m1999}$ , is the change over last December of the Harmonised Index of Consumer Prices of Spain between month  $m$  from year  $t$ , and the same month  $m$  from year 1999,

$VIPCA\_UM^{mt/m1999}$ , is the accumulated change of the Harmonised Index of Consumer Prices of the Monetary Union between month  $m$  from year  $t$ , and the same month  $m$  from year 1999, and

$\alpha$ , is a parameter included in the interval between 0.2 and 0.35, which may be revised every five years, and which shall be published in the General State Budget Law. Currently,  $\alpha$  it is equal to 0.25.

This item of data shall be published monthly, according to the publication calendar available on the INE website.