

28 January 2013

Consumer Price Index (CPI). Base 2011 Year 2012

The average change for the Consumer Price Index stands at 2.4% in the year 2012. The annual change in December is 2.9%

The annual change for core inflation in the year 2012 is 1.6%

For the first time the INE is publishing an annual summary of performance for the Consumer Price Index (CPI). The information used is based on the average changes for year 2012, which are disseminated each year in the INE website database.

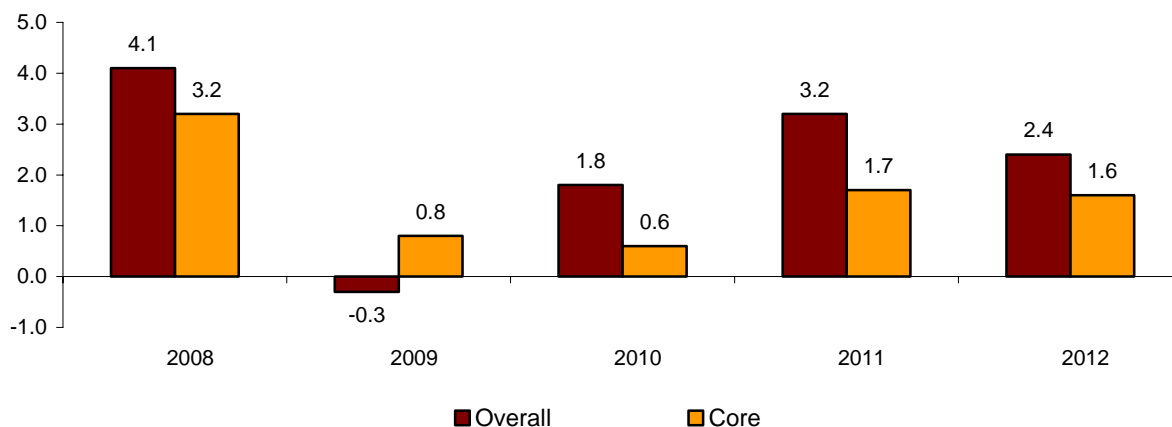
These changes are obtained from the average of the indices for the twelve months of the year. Besides being used to complete the analysis of inflation carried out each month, this information is used to deflate monetary data in the National Accounts of the Household Budget Survey (HBS).

Monthly performance of consumer prices

The annual change for the overall Consumer Price Index (CPI) in the year 2012 was **2.4%**, whereas core inflation placed the average change for the year at 1.6%.

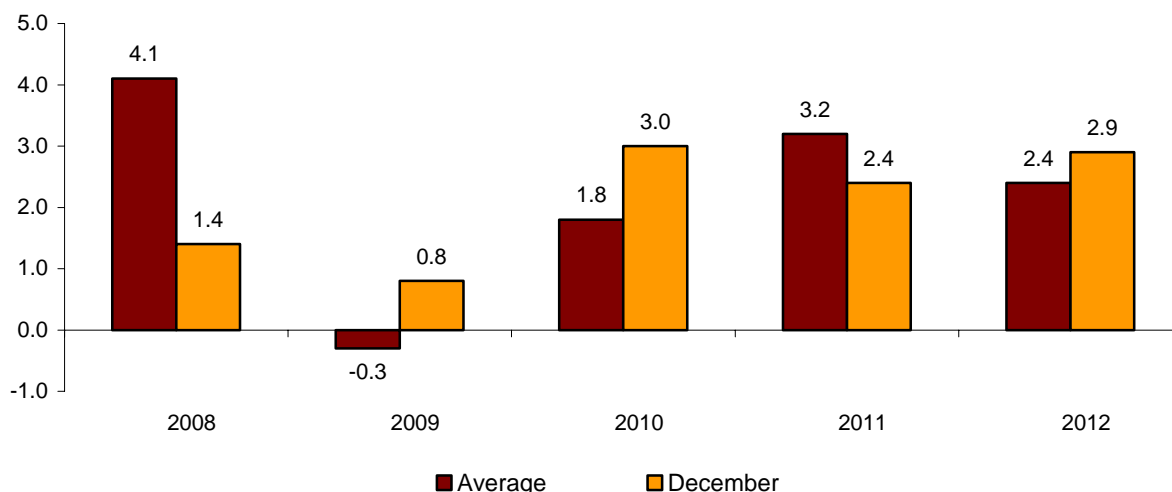
In the last five years, average changes in the overall index excluding fresh food or energy products (core inflation) have remained below overall inflation, with the exception of 2009.

Performance of the annual averages of the CPI
Overall and core index



The following graph compares the average change for each of the last five years with the respective annual change in December. It shows that in 2012, the annual change at the end of the year was greater than the average for the year.

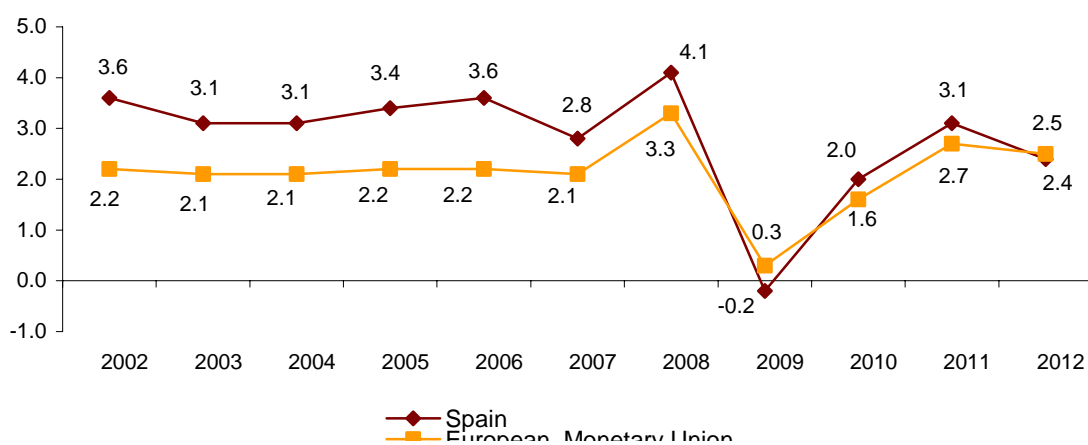
Performance of the annual averages and annual changes in December



Harmonised Consumer Price Index (HICP)

The average change for the Spanish HICP in the year 2012 stood at **2.4%**, whereas for the European Monetary Union it reached **2.5%**. For the second time in the last 10 years, average inflation in Spain was below that of the European Monetary Union (previously, this only occurred in 2009).

Performance of the annual averages of the HICP¹
Spain and European Monetary Union



¹ The year 2012 figure for the European Monetary Union is provisional

Contribution of groups to the annual change of the CPI

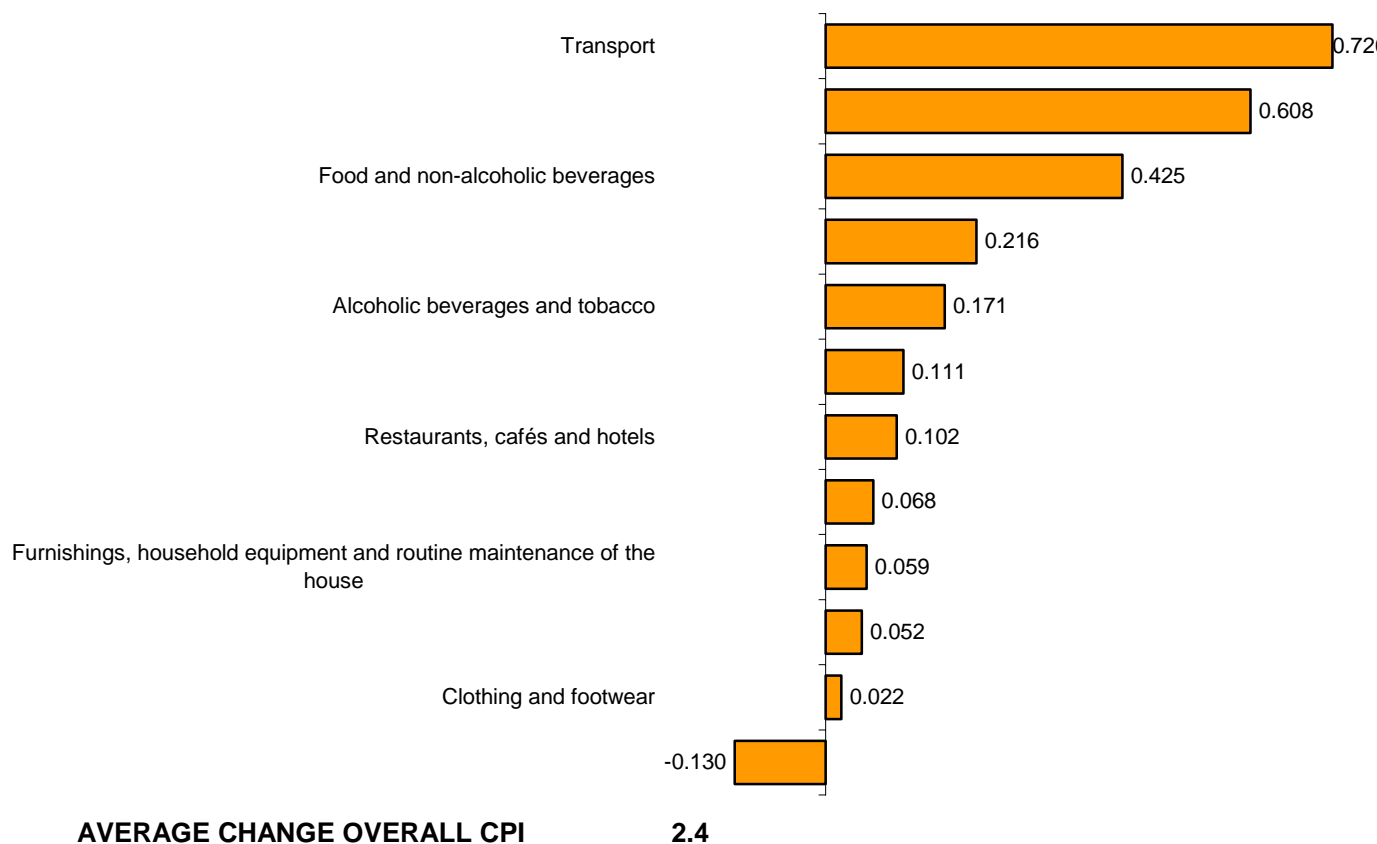
The groups with the greatest contribution to the annual change of the CPI:

- **Transport**, whose change was **4.8%**, due to the increase in prices of *fuels and lubricants for personal transport equipment*, and, to a lesser extent, those of the *maintenance and repair of personal transport equipment and motor cars*.
- **Housing**, whose average change for year 2012 stood at **5.1%**. This increase was due to the increase in prices of *electricity* and *gas*. The increases in price of *heating fuels* and *water supply* throughout the last year should also be highlighted.
- **Food and non-alcoholic beverages**, with an annual change of **2.3%**. The divisions highlighted by their contribution to this increase were *meat, milk, cheese and eggs, fruit and bread and cereals*.

The only group with negative contribution to the CPI was:

- **Communications**, whose prices decreased to **-3,4%** in the year 2012, mainly due to the decrease in prices of *telephone services*.

Contribution of groups to the annual average of the CPI



Average change for special groups

The following table shows the average performance of prices for the most important special groups:

Average change by special group

Special Groups	Average change (%)
Processed food, beverages and tobacco	3.1
Unprocessed food	2.3
Processed food, beverages and tobacco	2.8
Energy and unprocessed food	6.5
Industrial goods	3.2
Durable industrial goods	-0.3
Energy products	8.9
Fuels and lubricants for personal transport equipment	8.8
Industrial goods excluding energy	2.7
Industrial goods excluding energy products	0.8
Services	1.5
Services excluding rentals for housing	1.6
Overall index excluding food, beverages and tobacco	2.3
Overall index excluding rentals for housing	2.5
Overall index excluding energy products	1.6
CORE INFLATION (Overall index excluding Energy and unprocessed food)	1.6
Overall index excluding tobacco	2.3
Overall index excluding services	3.1
Overall index excluding liquid fuels	2.0

Most notable divisions by average change in 2012

The divisions with the greatest and least changes in year 2012 are shown below:

What increased the most on average in 2012

	Average change (%)
Eggs	15.3
Jewellery, clocks and watches	12.7
Medicaments and other pharmaceutical products	12.5
Other fuels	11.2
Gas	10.6
Tertiary education	9.7
Electricity	9.0
Sewerage services	8.8
Other transport services	8.6
Refuse collection	8.4
Telephone equipment	8.4
Fuels and lubricants for personal transport equipment	8.1
Passenger transport by railway	7.6
Tobacco	7.2
Other services	6.2

What has decreased the most on average in 2012

	Average change (%)
Photographic and cinematographic equipment	-12.2
Equipment for the reception, recording and reproduction of sound and pictures	-11.0
Information processing equipment	-10.1
Recording media	-6.6
Telephone services	-3.6
Fresh potatoes and potatoes preparations	-3.5
Games and toys	-2.6
Therapeutic appliances and equipment	-2.5
Non-text books	-1.6
Hospital services	-1.6
Refrigerators, washing machines and dishwashers	-1.6
Cookers and ovens	-1.1
Other recreational and sporting items and equipment	-0.8
Household textiles	-0.5
Garments for children and babyclothes	-0.4

Divisions with the greatest contribution to the annual change of the CPI

A more detailed analysis showed the divisions that had the greatest contribution to the monthly CPI change during year 2012.

Divisions with the greatest positive contribution to the monthly change of the CPI

	Average change (%)	Contribution
Fuels and lubricants for personal transport equipment	8.1	0.521
Electricity	9.0	0.282
Tobacco	7.2	0.153
Gas	10.6	0.141
Medicaments and other pharmaceutical products	12.5	0.108
Restaurants, cafés and the like	0.9	0.093
Meat	2.0	0.089
Milk, cheese and eggs	3.4	0.086
Package holidays	5.7	0.082
Fruit	4.3	0.069
Other fuels	11.2	0.057
Cultural services	5.3	0.056
Bread and cereals	1.9	0.054
Maintenance and repair of personal transport equipment	2.5	0.053
Motor cars	1.2	0.051
Tertiary education	9.7	0.051
Water supply	5.1	0.050

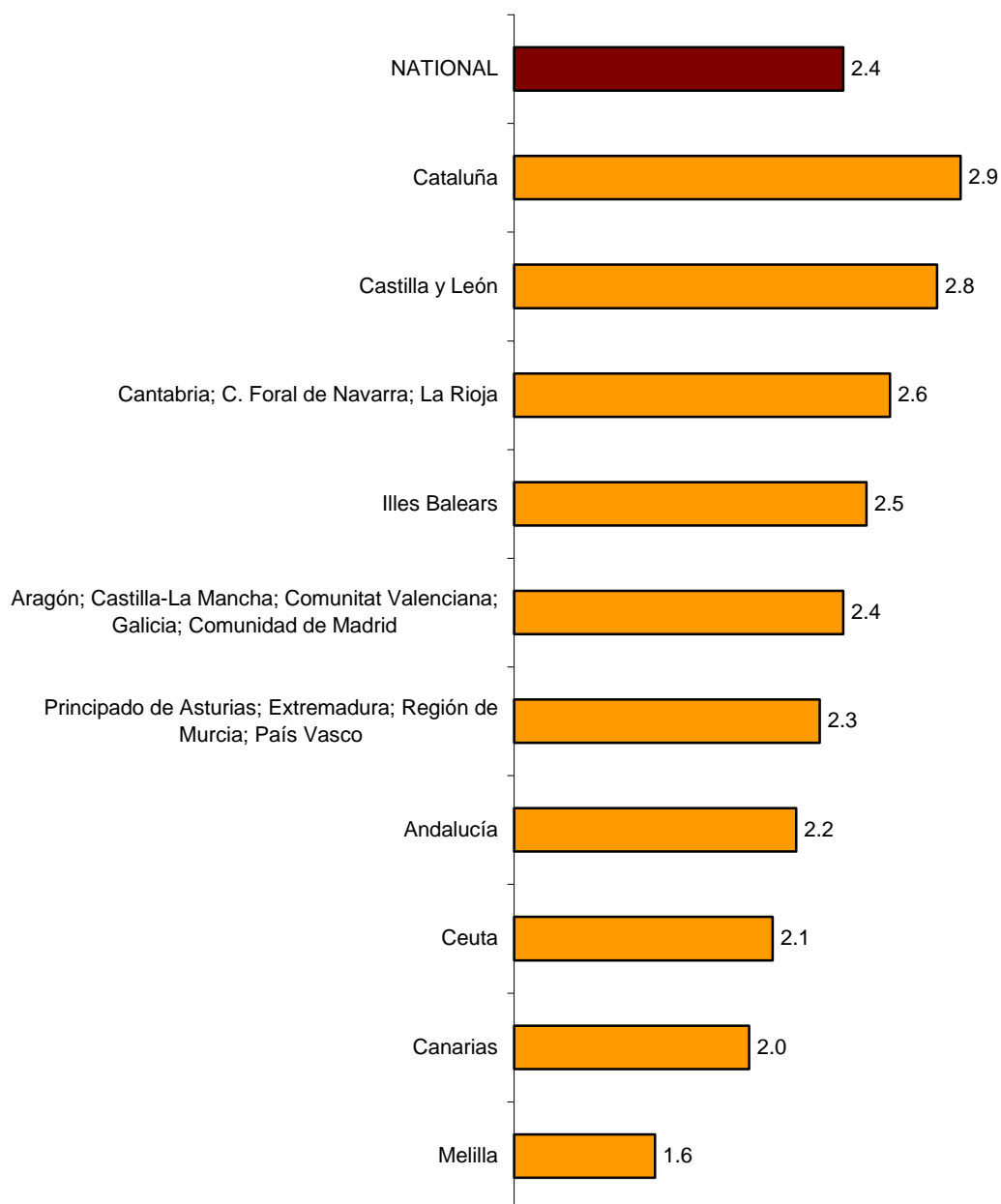
Divisions with the greatest negative contribution to the monthly change of the CPI

	Average change (%)	Contribution
Telephone services	-3.6	-0.136
Equipment for the reception, recording and reproduction of sound and pictures	-11.0	-0.062
Information processing equipment	-10.1	-0.038
Therapeutic appliances and equipment	-2.5	-0.016
Games and toys	-2.6	-0.016

Results by Autonomous Community. Average changes

The following graph shows the Autonomous Communities in decreasing order by average change of the IPC.

**Average changes of the overall CPI
Autonomous Communities and Autonomous Cities**



Harmonised Indices of Consumer Prices at Constant Taxes

During year 2012, the average change of the CPI at Constant Taxes (CPI-CT) stood at **1.8%**, six tenths lower than the CPI average during that year, due to the increase in Value Added Tax (VAT) that came into force in September.

The divisions that showed the greatest difference in their average changes, if we compare the CPI and the CPI-CT, were those in which the greatest tax increases occurred:

Divisions with the greatest differences in the CPI and CPI-CT changes

	CPI average change (%)	CPI-CT average change (%)	Difference
Cultural Services	5.3	1.8	3.5
Hospital services	-1.6	-5.0	3.4
Gardens, plants and flowers	2.1	-1.2	3.3
Services for personal care	1.7	-1.3	3.0
Recreational and sporting services	1.8	-0.4	2.2
Other services	6.2	4.6	1.6
Pets and related products	2.8	1.4	1.4

In turn, the average change of the CPI at Constant Taxes (CPI-CT) in year 2012 was 1.7%. During the last five years, this average change has always been lower than that of the HICP, except in year 2008.

