

31 August 2020

**Flash estimate of the Consumer Price Index (CPI) and
of the Harmonised Index of Consumer Prices (HICP)
August 2020**

**The annual change in the flash estimate of the CPI stands at -0.5%
in August, one tenth above than that registered in July**

The annual rate of the flash estimate of the HICP is -0.6%

After the end of the alert state period, all the CPI products are available for purchase by households. Therefore, the face-to-face collection of prices has been resumed in the August CPI, the collection being maintained by telematics means when, for reasons of health security, it has not been possible or convenient to carry it out in person.

The indices of the special groups of goods and services COVID-19, which during these months have shown the evolution of the products most consumed by households during the pandemic, continue to be published to allow analysis of the situation after completion of the alert state period.

Annual rate trend

General CPI

According to the flash estimate issued by the INE, the annual inflation of the CPI in August 2020 was -0.5%.

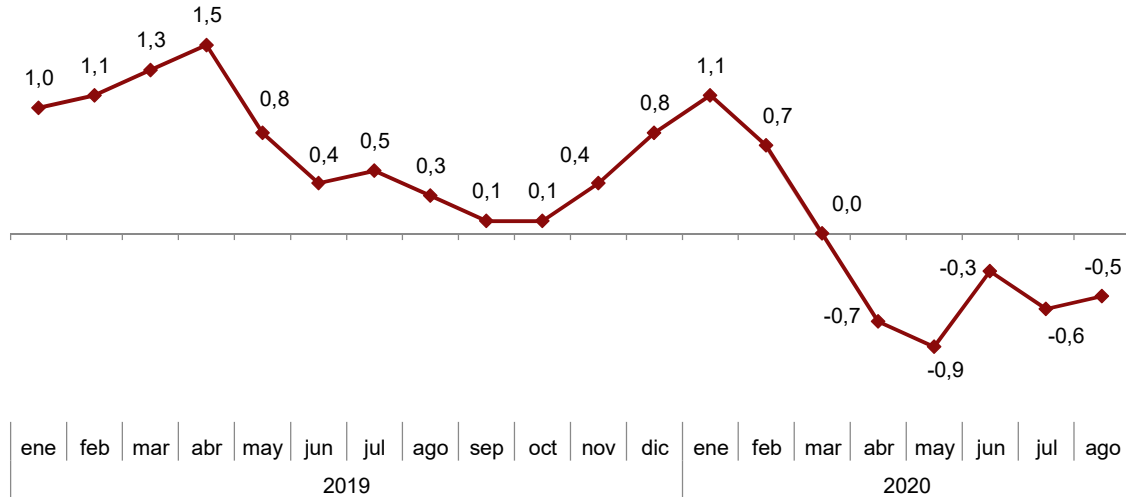
This indicator provides a preview of the CPI that, if confirmed, would imply an increase of one tenth in the annual rate, since in July this change was -0.6%.

This behavior highlights the increase in *electricity* prices stands out, compared to the decline in 2019.

It should also be noted, although in the opposite direction, the rise in the prices of *tourist package* lesser than that registered last year.

In turn, the annual variation of the flash estimate of the HICP in August stands at -0.6%. If confirmed, the annual rate of the HICP would increase one tenth with respect to the previous month.

Annual evolution of the CPI 1
Overall index. Percentage



¹ The last data refers to the flash estimate

COVID-19 Effect

In order to offer specific information regarding COVID-19's effect on prices, the INE has created two specific aggregations for basic consumer products during household confinement.

The *COVID-19 special goods group* includes food items, beverages, tobacco, household cleaning products, pharmaceutical products, pet food and personal care products.

The annual rate for this group in the month of August was 1.7 %, a decreased one tenth compared to that of July.

The section that stands out the most due to its importance in this aggregation is *package food*, whose falls four tenths to 1.3%. And *fresh food* recorded an annual rate of 3.5%, four tenths higher than that of last month.

For its part, the *COVID-19 special services group* includes housing and garage rental services, water distribution, sewerage, garbage collection, community expenses, electricity, gas, heating oil, telephone, music and streaming television services, insurance, banking commissions and funeral services.

The annual variation of this special group in August stood at -2.0%, nine tenths higher than that registered in July, as a result of the rise in *electricity* prices this month, compared to the decrease registered in 2019.

Monthly rate trend

General CPI

According to the flash estimate of the CPI of August, consumer prices registered a variation 0.0% as compared with July.

In turn, the monthly change of the HICP flash estimate in August stood at 0.0%.

COVID-19 Effect

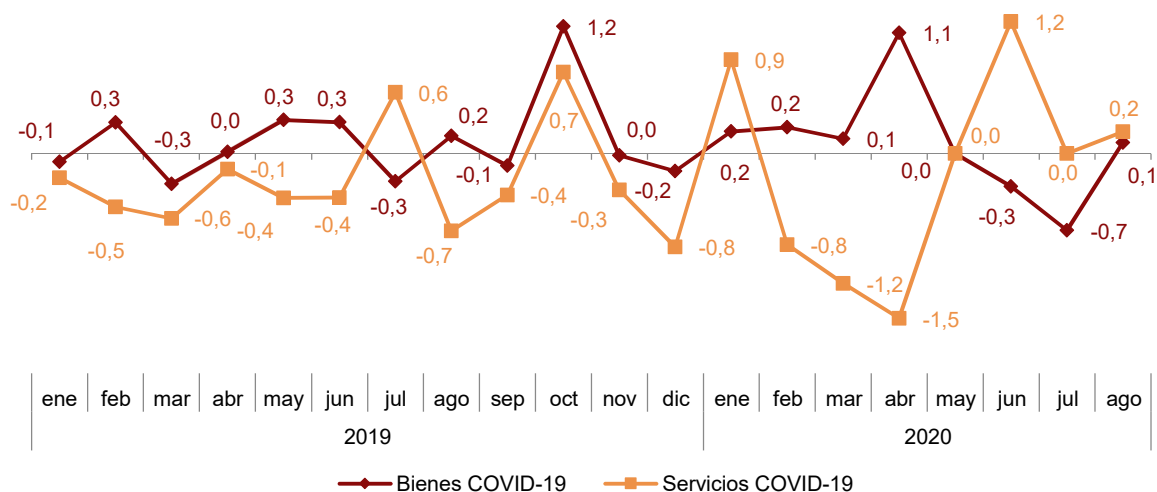
The products included in the *special group of goods* COVID-19 have increased their prices in August by 0.1 % compared to the month of July.

Food products and soft drinks increase at 0.1%. Within them, *fresh food* recorded a monthly rate of 0.0% and *packaged food* of 0.1%.

On the other hand, the services that form part of the *special services group* COVID-19 increase by 0.2% this month compared to the previous month.

Evolution of the monthly rate of the CPI¹

Special groups of COVID-19. Percentage



¹ The last data refers to the flash estimate

Review and data update

The data released today is an advance of the final CPI and HICP data, which will be published next month. Until then, the results are available in INEbase.

Methodological note

The Consumer Price Index (CPI) is a statistical measure of the evolution of the prices of goods and services consumed by the population that reside in family dwellings in Spain.

In turn, the Harmonised Index of Consumer Prices (HICP) is a statistical indicator whose objective is to provide a common average of the inflation that allows conducting international comparisons

Type of survey: continuous on a monthly basis

Base period: 2016 (CPI) and 2015 (HICP)

Reference period of weightings: year prior to the current year

Sample of municipalities: 177

Number of items: 480 (CPI) y 479 (HICP).

Number of observations: approximately 220,000 prices per month.

Functional classification: ECOICOP.

General method of calculation: chained Laspeyres

Collection method: interviewers in establishments and centralised collection for special items

For further information, please consult the methodology of both indicators in the following link:

https://www.ine.es/en/metodologia/t25/t2530138_16_en.pdf

The CPI standardised Methodological report:

<https://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30138>

And the HICP standardised Methodological report:

<https://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30180>

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