

**25 February 2013**

(update at 13:00 pm)

## **Industrial Price Index (IPRI). Base 2010**

January 2013. *Provisional data*

**The annual rate of the Industrial Prices decreases seven tenths in January and stands at 2.6%**

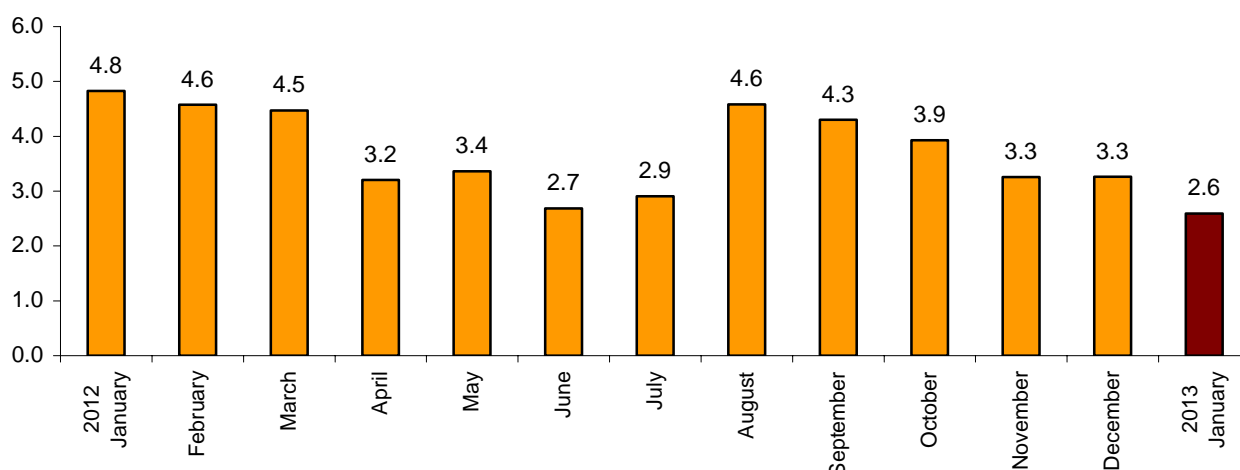
**The Industrial Prices increases 1.1% as compared with the previous month**

**The INE publishes the first Industrial Price Index in base 2010**

### **Annual evolution of industrial prices**

The annual variation of the general Industrial Price Index (IPRI) stood at **2.6%** in January, seven tenths below that registered in December and the lowest since March 2010.

**Annual evolution of the IPRI  
General Index**



By economic destination of the goods, the industrial sectors that most influenced in this drop were:

- **Energy**, whose annual variation decreased more than two tenths, standing at **2.6%**. This drop was due to the fact that the increase of the prices of *Petroleum refinement and Production, transportation and distribution of the electric power*, was lower than that of January 2012.

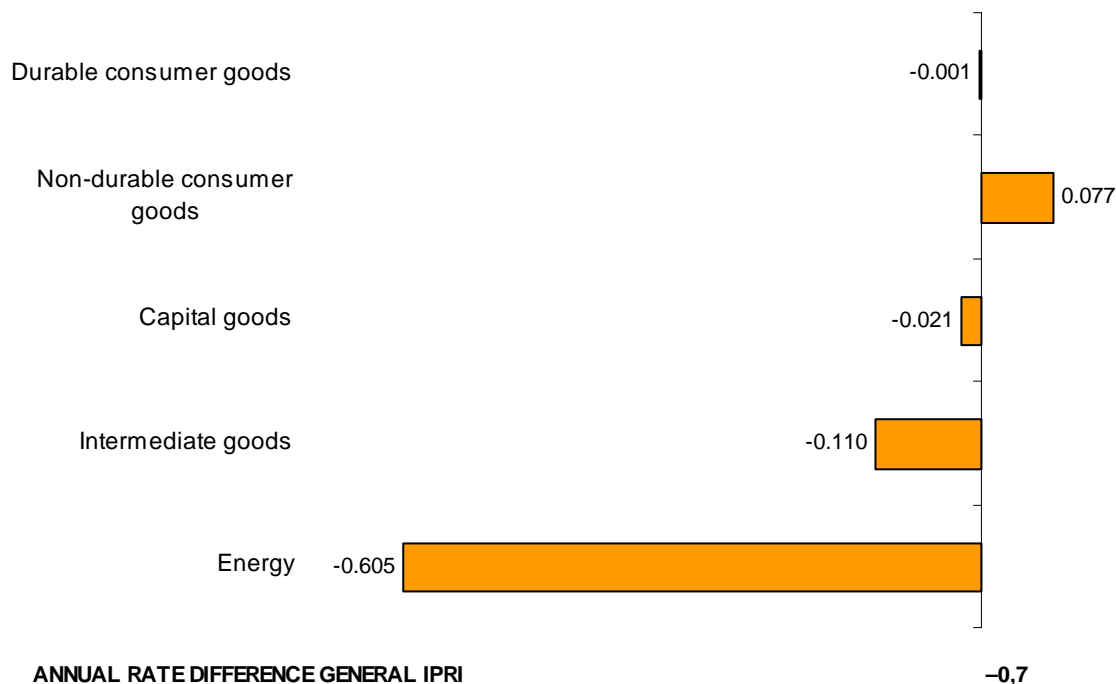
It is worth noting that the annual rates of both sectors stand at  $-1.0\%$  and  $4.7\%$ , the lowest since November 2009 and December 2010, respectively.

- **Intermediate goods**, whose annual variation was **2.5%**, four tenths below that registered in the previous month. In this fall is highlighted the influence of *Manufacture of basic chemicals fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms, Precious metal productions and other non-metallic mineral products and Manufacture of basic iron and steel and of ferro-alloys*.

In spite of the general decrease of the annual variation of the general IPRI, it is worth noting the only sector that increased its rate:

- **Non-durable consumer goods**, whose annual rate stood at **4.2%**, three tenths higher than that registered in December. This rise is a consequence, primarily of the increase in the prices of *Manufacture of vegetables and animal oils and fats* that presented the highest annual variation ( $29.7\%$ ) since March 2006.

## Influence of the industrial sectors in the annual rate of the IPRI



## Monthly evolution of industrial prices

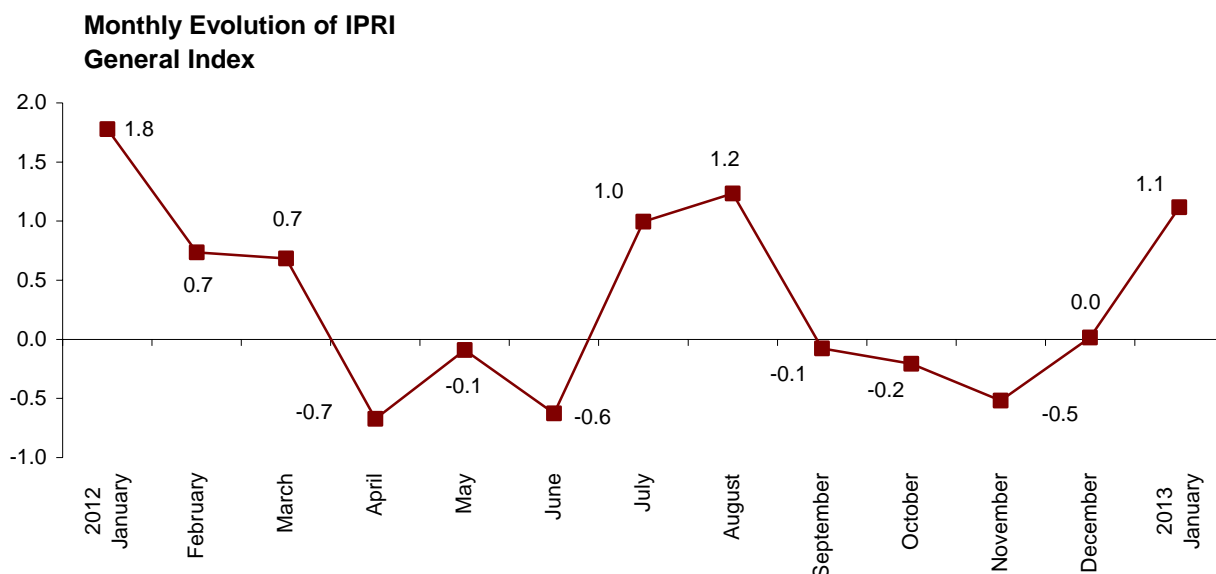
In January, the monthly variation of the general IPRI was **1.1%**.

By economic destination of the goods, all industrial sectors had a positive monthly effect on the general index. Among them are highlighted:

- **Energy**, with a monthly variation of **3.3%**, that reflected the increase in prices of *Production, transportation and distribution of the electric power* and, in a lower rate, *Petroleum refinement*. Its effect on the general IPRI was **0.887**.

• **Non-durable consumer goods**, with a monthly variation of **0.5%** and an effect of **0.139**, mostly as a consequence of the increase in the prices of *Manufacture of vegetables and animal oils and fats*.

• **Intermediate goods** with a monthly variation of **0.2%** and an effect of **0.074**. In this variation it is highlighted the increase in the prices of *Manufacture of basic chemicals fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms* and the *Production of precious metals and other non-metallic mineral products*.



A more detailed analysis showed the activities that most affected the monthly rate of the IPRI in the month of January.

#### Activities with the greatest positive effect on the monthly rate of the IPRI

	Monthly rate (%)	Effect
<b>Activity (CNAE-09 groups)</b>		
Production, transportation and distribution of electric power	5,6	0,745
Petroleum refinement	2,7	0,227
Manufacture of vegetables and animal oils and fats	4,8	0,095
Manufacture of food products	1,4	0,029
of Manufacture of basic chemicals fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms	0,8	0,025
Manufacture of precious metals and other non-metallic mineral products	1,5	0,021

#### Activities with the greatest negative effect on the monthly rate of the IPRI

	Monthly rate (%)	Effect
<b>Clase CNAE-09</b>		
Gas production; piped distribution of gaseous fuels	-2,7	-0,099
Manufacture of basic pharmaceutical products	-4,6	-0,014
Manufacture of basic iron, steel and Fabricación de productos básicos de hierro, acero and ferro-alloys	-0,7	-0,012

## Results by Autonomous Community. Annual variation rates

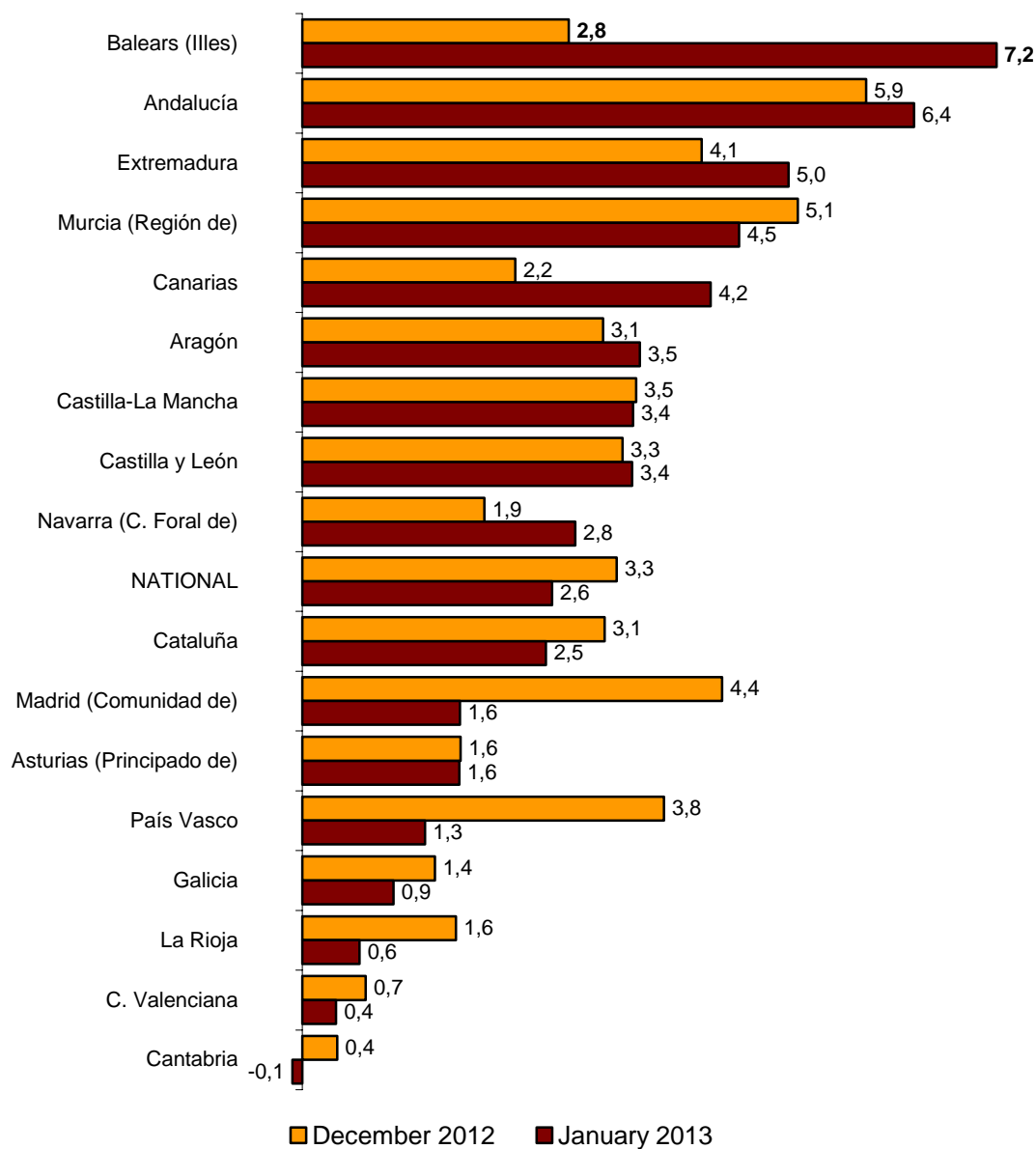
The annual rate of the IPRI decreased in most of the Autonomous Communities. Among them it is worth noting Comunidad de Madrid (1.6 points) and País Vasco (1.3 points), with a decrease of 2.8 and 2.5 points respectively.

The greatest increases corresponded to Illes Balears (4.4 points) and Canarias (2.0 points), with annual rates that stand at 7.2% and 4.2%, respectively.

It is worth noting that Cantabria (−0.1%) is the only Autonomous Community with a negative annual variation rate.

### Annual Rates of the IPRI

#### General Index by Autonomous Community



## Informative annex

### Main characteristics of the IPRI, base 2010

Today, the National Statistics Institute (INE) is publishing the Industrial Price Index (IPRI) in base 2010. It thus complies with Council Regulation (EC) No. 1165/98 regarding short-term statistics, which sets out that the Member States must adopt a base change for the short-term indicators to which said regulation refers, every five years.

The base change consists of the revision and updating of the components comprising the calculation of the index. The objective is to obtain an indicator that adapts to those changes occurring in the last five years in the different activities in the industrial sector, and that more precisely measures the performance of the prices, which will yield an IPRI that is more representative of the industrial sector.

Among the changes introduced in the 2010 base, worth noting is the new calculation system, which ceases to use the concept of a fixed base (characterised by the use of a basket of products and set weightings over the course of the time that the base is used) and introduces a new way of producing the indicator, based on the ongoing updating of the main elements comprising its calculation.

Therefore, the IPRI, base 2010, is an indicator characterised by its dynamism - as it constantly adapts its methodology in order to include changes in the industrial sector - and by its current nature - as each year, it revises the weightings for different functional breakdown levels in its calculation of any change detected in the sector at the time when this occurs, whether it consists of new products, changes in productive activity or changes in the sample of respondent units-.

#### Sample update and weighting structure

##### - Sample

One of the most important aspects of the base change process is the updating of the sample. To this end, a complete study is carried out of the industrial activities, the basket of products, the weightings and the sample of respondent units, for the purpose of updating its structure and improving its representativeness.

The criteria used to define which activities will be part of the calculation of the IPRI, base 2010, are the following: for the nation as a whole, this includes the classes (to 4 digits of CNAE-09) that exceed 0.1% of total industry turnover, and for the Autonomous Communities, the divisions (to 2 digits of CNAE-09) that exceed 1.0% of total industry turnover for each Autonomous Community.

Following these criteria, the branches that do not reach the minimum national coverage have been removed from the list, while others have been included, such as the *Production of electrical energy*, the *Distribution of electrical energy*, the *Repair of machinery*, the *Manufacture of railway and tramway locomotives and rolling stock* and the *Building of ships and floating structures*.

As a result of this sample update, each month, the IPRI, base 2010, includes approximately 27,000 prices of 1,500 products, in a sample of nearly 8,500 industrial establishments.

## - Weightings

The complete weighting structure has been updated at all functional and geographical breakdown levels, in order to represent industrial productive activity more precisely.

The Industrial Companies Survey and the Industrial Products Survey referring to the year 2010 have been used to this end, providing information regarding turnover by activity branch and product, which is essential to establishing the weighting structure. Subsequently, this structure has been updated to the year 2012, using the information from the IPRI.

A fundamental improvement introduced in the new base is the annual update of the weight, or importance, of the aggregates that comprise this indicator, which enables adapting the indicator to the changes as they occur in industrial activities.

The following table includes the weight of each industrial sector, by economic destination of the goods, and their comparison with the weights in force during the 2005 base.

Groups	IPRI, base 2005	IPRI, base 2010 Year 2013
Durable consumer goods	3.66	2.39
Non-durable consumer goods	24.77	26.29
Capital goods	17.30	14.58
Intermediate goods	33.29	29.88
Energy	20.98	26.86
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

## Calculation formula

Up until this point, the IPRI was calculated using what is known as a fixed-base Laspeyres-type index. The main advantage of an index of this type is that it enables comparing the same structure of products and weightings throughout the time that the base is in effect; however, there is also the drawback that the weighting structure loses relevance as time elapses and productive activity changes.

The IPRI, base 2010, will use the "chain-linked Laspeyres" formula, which consists of referring the prices from the current period to the prices from the previous year. Moreover, as commented above, the weightings of the divisions will be updated each year with information from the Industrial Companies Survey and other sources.

Another important innovation in the new base is the use of the **geometric average** for the calculation of the average prices of those products included in the basket, which are involved in the preparation of the monthly index.

In addition, as of base 2010, all indices are functionally and geographically aggregated.

## Linking series

The implementation of any system of price indices implies a break in the continuity of the series, and more so when, in addition to changing the composition of the representative products and their corresponding weightings, a change occurs in the calculation methodology used in compiling the indices, as with the IPRI, base 2010.

For the purpose of having continued series available, at least for certain breakdown levels, and which enable calculating variation rates between different periods, and allowing users to perform studies and predictions relating to price performance, the INE has prepared a link, and publishes the indices in base 2010, as of January 1975, in order to thus provide the continuity of the information published until now.

It is important to highlight that, as the new IPRI has taken the year 2010 as its base, the series have been recalculated in the new base, using the new calculation formula and the new weightings, as of January 2010. Therefore, the variation rates of the IPRI, base 2010, for the years 2010, 2011 and 2012 will be different than those calculated using the indices in base 2005.

In turn, the indices prior to the year 2010, which are indices calculated in base 2005 and linked subsequently, do preserve the variation rates.

## Dissemination of the results

The IPRI, base 2010, is published with national indices for 4 sections (to 1 digit of CNAE-09), 29 divisions (to 2 digits of CNAE-09), 96 classes (to 3 digits of CNAE-09) and 220 classes (to 4 digits of CNAE-09), in addition to being published by economic destination of the goods.

On an Autonomous Community level, it includes indices for the sections and divisions, and by economic destination of the goods.

The indices are published to three decimal points, and the variation rates to one decimal point, though they are calculated with all of the decimal points available in the index. Moreover, the data will be final three months following its first publication.

All of the information regarding the new base of the IPRI is available on the INE website (<http://www.ine.es/en/>).

## Industrial Prices Index. Base 2010 January 2013

Provisional data

### 1. National indices: general and by economic destination of the goods

	Index	% variation			Effect	
		Over previous month	Over last December	Over one year	Over previous month	Over last December
General index	112.6	1.1	1.1	2.6		
Consumer goods	107.4	0.5	0.5	3.8	0.141	0.141
- Durable consumer goods	102.2	0.1	0.1	0.6	0.002	0.002
- Non-durable consumer goods	108.2	0.5	0.5	4.2	0.139	0.139
Capital goods	101.7	0.1	0.1	0.4	0.015	0.015
Intermediate goods	109.6	0.2	0.2	2.5	0.074	0.074
Energy	129.0	3.3	3.3	2.6	0.887	0.887

### 2. Variation rates in the last 12 months. General Index

Period	Index	% variation		
		Over previous month	Over last December	Over one year
2012 January	109.7	1.8	1.8	4.8
February	110.5	0.7	2.5	4.6
March	111.3	0.7	3.2	4.5
April	110.5	-0.7	2.5	3.2
May	110.4	-0.1	2.4	3.4
June	109.7	-0.6	1.8	2.7
July	110.8	1.0	2.8	2.9
August	112.2	1.2	4.1	4.6
September	112.1	-0.1	4.0	4.3
October	111.9	-0.2	3.8	3.9
November	111.3	-0.5	3.2	3.3
December	111.3	0.0	3.3	3.3
2013 January	112.6	1.1	1.1	2.6

\* Revised data



### 3. Total industry and classification by activity (CNAE 2009)

	Index	Over previous month		Over last December		Over one year
		% Variation	Effect	% Variation	Effect	% Variation
<b>TOTAL INDUSTRY</b>	112.6	1.1	1.117	1.1	1.117	2.6
<b>B. Mining and quarrying</b>	102.0	0.2	0.002	0.2	0.002	0.4
Mining of coal and lignite	107.2	-1.6	-0.002	-1.6	-0.002	1.9
Mining of metal ores	98.4	-1.6	-0.001	-1.6	-0.001	-1.6
Other mining and quarrying	101.0	0.7	0.005	0.7	0.005	0.2
<b>C. Manufacturing</b>	110.1	0.6	0.453	0.6	0.453	2.2
Manufacture of food products	115.5	0.8	0.145	0.8	0.145	8.3
Manufacture of beverages	106.4	0.2	0.008	0.2	0.008	2.6
Manufacture of tobacco products	113.4	3.3	0.007	3.3	0.007	3.3
Manufacture of textiles	105.1	0.1	0.001	0.1	0.001	0.2
Manufacture of wearing apparel	99.0	-0.5	-0.007	-0.5	-0.007	-1.0
Manufacture of leather and related products	104.4	0.5	0.003	0.5	0.003	0.9
Manufacture of wood and of products of wood and cork, except furniture						
Manufacture of articles of straw and plaiting materials	103.6	0.3	0.004	0.3	0.004	0.6
Manufacture of paper and paper products	105.0	-0.4	-0.009	-0.4	-0.009	-0.2
Printing and reproduction of recorded media	104.5	0.3	0.005	0.3	0.005	1.2
Manufacture of coke and refined petroleum products	135.9	2.7	0.227	2.7	0.227	-1.0
Manufacture of chemicals and chemical products	114.7	0.6	0.035	0.6	0.035	4.3
Manufacture of basic pharmaceutical products	98.3	-0.4	-0.010	-0.4	-0.010	0.1
Manufacture of rubber and plastic products	108.3	0.7	0.023	0.7	0.023	2.3
Manufacture of other non-metallic mineral products	101.3	-0.4	-0.017	-0.4	-0.017	-0.5
Manufacture of basic metals	107.7	0.1	0.005	0.1	0.005	-2.2
Manufacture of fabricated metal products, except machinery and equipment	102.9	0.4	0.029	0.4	0.029	0.8
Manufacture of computer, electronic and optical products	93.4	-0.3	-0.003	-0.3	-0.003	-4.6
Manufacture of electrical equipment	106.8	-0.2	-0.006	-0.2	-0.006	2.8
Manufacture of machinery and equipment n.e.c.	101.8	0.0	0.000	0.0	0.000	-0.1
Manufacture of motor vehicles, trailers and semi-trailers	101.4	-0.2	-0.009	-0.2	-0.009	0.1
Manufacture of other transport equipment	100.6	-0.1	-0.001	-0.1	-0.001	-0.2
Manufacture of furniture	102.6	0.3	0.005	0.3	0.005	0.9
Other manufacturing	104.7	0.0	0.000	0.0	0.000	1.2
Repair and installation of machinery and equipment	101.2	1.2	0.018	1.2	0.018	1.2
<b>D. Electricity and gas</b>	126.9	3.8	0.647	3.8	0.647	4.5
<b>E. Water supply</b>	109.9	1.2	0.016	1.2	0.016	4.4

#### 4. Indices of Autonomous Communities: general and by economic destination (Continues)

Grupos	Index	% variation			Index	% variation			
		Over previous	Over last	Over one		Over previous	Over last	Over one	
		month	December	year		month	December	year	
Andalucía					Aragón				
General index	121.2	2.4	2.4	6.4	109.8	0.7	0.7	3.5	
Consumer goods	116.3	3.6	3.6	13.0	102.5	-0.7	-0.7	0.0	
- Durable consumer goods	107.2	-0.1	-0.1	2.5	100.9	-0.6	-0.6	-0.9	
- Non-durable consumer goods	117.0	3.8	3.8	13.7	103.3	-0.7	-0.7	0.4	
Capital goods	100.7	0.4	0.4	0.0	102.9	0.0	0.0	0.2	
Intermediate goods	117.1	-0.4	-0.4	5.5	115.3	0.4	0.4	6.2	
Energy	135.2	3.7	3.7	2.6	125.7	5.2	5.2	6.1	
Asturias, Principado de					Balears, Illes				
General index	108.5	2.4	2.4	1.6	113.9	6.0	6.0	7.2	
Consumer goods	104.0	0.5	0.5	1.9	104.5	-0.4	-0.4	1.1	
- Durable consumer goods	102.7	0.0	0.0	2.3	108.4	0.1	0.1	2.5	
- Non-durable consumer goods	104.5	0.5	0.5	1.4	103.8	-0.4	-0.4	0.8	
Capital goods	97.6	-0.9	-0.9	-0.5	100.0	0.0	0.0	0.0	
Intermediate goods	101.1	-0.4	-0.4	-2.7	112.2	0.2	0.2	4.5	
Energy	126.2	7.4	7.4	7.6	123.8	10.6	10.6	10.1	
Canarias					Cantabria				
General index	124.9	4.8	4.8	4.2	107.1	0.6	0.6	-0.1	
Consumer goods	105.6	0.2	0.2	0.6	101.0	-0.3	-0.3	-2.9	
- Durable consumer goods	99.1	-0.3	-0.3	0.0	98.7	-1.3	-1.3	-1.6	
- Non-durable consumer goods	105.7	0.2	0.2	0.7	101.6	0.0	0.0	-3.1	
Capital goods	99.7	2.2	2.2	1.2	99.5	0.5	0.5	-2.0	
Intermediate goods	109.9	0.2	0.2	3.6	109.9	-0.6	-0.6	1.5	
Energy	139.2	6.4	6.4	4.9	125.3	5.8	5.8	4.3	
Castilla y León					Castilla-La Mancha				
General index	107.4	0.5	0.5	3.4	114.7	1.2	1.2	3.4	
Consumer goods	107.3	0.3	0.3	2.9	111.3	0.2	0.2	7.3	
- Durable consumer goods	103.2	0.1	0.1	0.3	101.8	0.0	0.0	0.4	
- Non-durable consumer goods	107.4	0.3	0.3	2.9	111.8	0.2	0.2	7.6	
Capital goods	101.7	-0.6	-0.6	1.6	101.8	0.3	0.3	0.2	
Intermediate goods	108.1	0.5	0.5	4.5	109.2	0.5	0.5	4.2	
Energy	120.6	3.2	3.2	5.2	130.4	3.3	3.3	-1.3	
Cataluña					Comunitat Valenciana				
General index	111.2	0.5	0.5	2.5	106.9	0.7	0.7	0.4	
Consumer goods	106.7	0.1	0.1	2.8	104.5	0.2	0.2	0.9	
- Durable consumer goods	101.6	0.4	0.4	0.5	104.0	0.3	0.3	0.9	
- Non-durable consumer goods	107.8	0.0	0.0	3.3	104.6	0.2	0.2	0.9	
Capital goods	101.4	0.2	0.2	0.4	100.6	0.0	0.0	-0.8	
Intermediate goods	112.3	0.5	0.5	3.4	104.2	0.5	0.5	0.2	
Energy	127.7	1.4	1.4	2.0	130.0	2.9	2.9	0.7	

#### 4. Indices of Autonomous Communities: general and by economic destination (Conclusion)

Grupos	Index	% variation			Index	% variation		
		Over previous	Over last	Over one		Over previous	Over last	Over one
		month	December	year		month	December	year
	Extremadura				Galicia			
General index	109.9	1.7	1.7	5.0	109.3	1.0	1.0	0.9
Consumer goods	103.8	0.4	0.4	2.6	103.8	-0.2	-0.2	0.5
- Durable consumer goods	101.8	0.0	0.0	0.0	99.0	1.4	1.4	-1.1
- Non-durable consumer goods	103.8	0.5	0.5	2.7	104.0	-0.3	-0.3	0.6
Capital goods	101.3	3.8	3.8	1.9	103.2	0.7	0.7	1.2
Intermediate goods	117.7	1.5	1.5	9.3	107.7	0.4	0.4	2.5
Energy	122.6	5.8	5.8	5.1	129.7	4.1	4.1	-1.7
	Madrid, Comunidad de				Murcia, Región de			
General index	114.9	1.2	1.2	1.6	114.6	1.0	1.0	4.5
Consumer goods	102.2	-0.4	-0.4	0.3	113.7	-0.6	-0.6	6.9
- Durable consumer goods	104.3	0.2	0.2	2.1	103.9	0.3	0.3	1.5
- Non-durable consumer goods	102.0	-0.4	-0.4	0.1	115.0	-0.7	-0.7	7.6
Capital goods	102.2	0.4	0.4	0.9	104.0	0.3	0.3	0.7
Intermediate goods	106.5	-0.4	-0.4	-0.3	107.5	-0.2	-0.2	4.2
Energy	124.8	2.7	2.7	3.1	129.4	4.2	4.2	1.1
	Navarra, C. Foral de				País Vasco			
General index	107.4	1.4	1.4	2.8	115.2	0.7	0.7	1.3
Consumer goods	108.9	3.2	3.2	4.7	107.4	-0.8	-0.8	5.3
- Durable consumer goods	99.2	-0.2	-0.2	0.1	101.2	-0.1	-0.1	0.4
- Non-durable consumer goods	109.7	3.5	3.5	5.1	110.8	-1.0	-1.0	8.1
Capital goods	101.9	0.1	0.1	0.9	102.6	-0.6	-0.6	0.3
Intermediate goods	108.5	0.3	0.3	2.2	109.1	0.0	0.0	0.4
Energy	126.7	5.0	5.0	7.3	129.8	3.0	3.0	1.7
	Rioja, La							
General index	106.8	0.5	0.5	0.6				
Consumer goods	105.9	1.6	1.6	1.3				
- Durable consumer goods	101.3	0.3	0.3	0.9				
- Non-durable consumer goods	106.3	1.7	1.7	1.3				
Capital goods	100.0	-1.4	-1.4	-0.7				
Intermediate goods	110.2	0.0	0.0	0.9				
Energy	114.7	-2.4	-2.4	-2.5				

For further information see **INEbase** - [www.ine.es/en/](http://www.ine.es/en/) All press releases at: [www.ine.es/en/prensa/prensa\\_en.htm](http://www.ine.es/en/prensa/prensa_en.htm)

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