Methodology for the 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:

$$\text{VIGC}^{mt} = \text{VIPCA}_{UM}^{mt} - \alpha \times \left( \text{VIPCA}_{ESP}^{mt/1999} - \text{VIPCA}_{UM}^{mt/1999} \right)$$

where:

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

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

$\text{VIPCA}_{ESP}^{mt/1999}$, 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,

$\text{VIPCA}_{UM}^{mt/1999}$, 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.