HELLENIC REPUBLIC HELLENIC STATISTICAL AUTHORITY

Piraeus, 13 January 2020

PRESS RELEASE

## CONSUMER PRICE INDEX: December 2019, annual inflation 0.8%

The evolution of the Consumer Price Index (CPI) of December 2019 (reference year 2009=100.0) is depicted as follows:

The CPI in December 2019 compared with December 2018 increased by 0.8%. In December 2018, the annual rate of change of the CPI was 0.6% (Table 2).

The CPI in December 2019 compared with November 2019, increased by 0.7%. In December 2018, the monthly rate of change of the CPI was 0.1% (Table 1).

The average CPI for the twelve - month period from January 2019 to December 2019, compared with the corresponding index for the period January 2018 to December 2018 increased by 0.3%. The annual rate of change of the average CPI between the twelve - month period January 2018 to December 2018 in comparison to the period January 2017 to December 2017 was 0.6% (Table 3).

Graph 1. Annual and annual average rates of change (%) of CPI
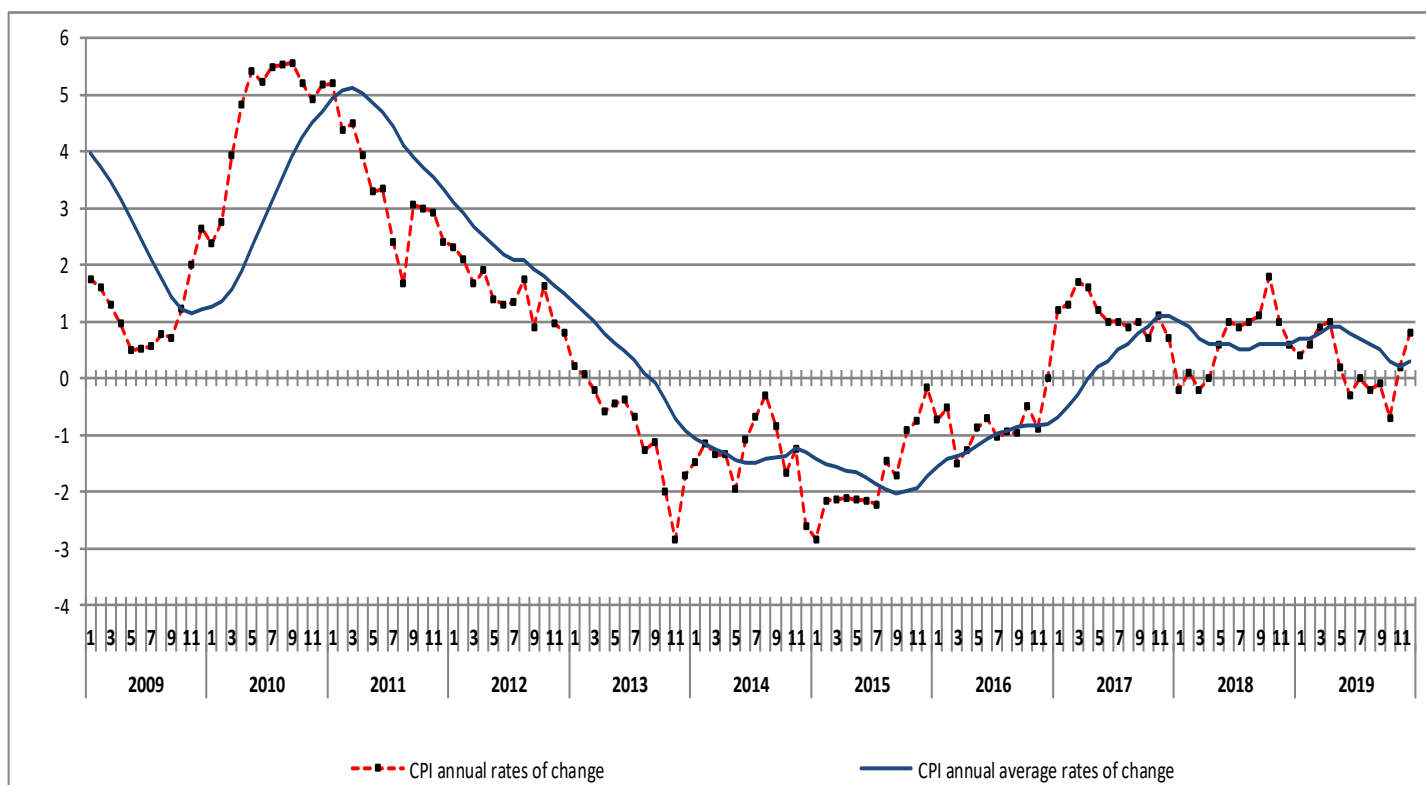
Information on methodological issues:
Population, Employment and
Cost of Living Statistics Division
Section of Retail Price Indices
Head of the Section M. Glenis
Tel: +30 213 135 2128
Fax: +30 213 135 2724
email: m.glenis@statistics.gr

Information for data provision:
Tel: +30 213 135 2022, 2308, 2310
email: data.dissem@statistics.gr

1

Analysis of changes of the CPI: December 2019

I. Monthly rates of change: December 2019 compared with November 2019 (Tables 1, 4)

The 0.7% increase of the Overall CPI in December 2019, compared with the corresponding index in November 2019 is, mainly, due to the changes in the groups of goods and services as follows:

1. **An increase of***:*

- 0.3% in the group <u>Food and non-alcoholic beverages</u>, due to the increase, mainly, in the prices of*: pork, lamb and goat, fresh fish, fresh whole milk, fresh vegetables, potatoes.* This increase was partly offset by the decrease, mainly, in the prices of*: cheese*, *olive oil*, *fresh fruit.*
- 10.5% in <u>Clothing and footwear</u>, due to the recovery of part of prices up to normal levels before the 10-day period of winter sales.
- 0.4% in the group <u>Housing</u>, due to the increase, mainly, in the prices of: *heating oil, natural gas*.
- 0.1% in the group <u>Hotel-Cafés-Restaurants</u>, due to the increase, mainly, in the prices of *restaurants-confectioneries-cafés-buffets.*

2. **A decrease of:**

- 0.6% in the group <u>Alcoholic beverages and tobacco</u>, due to the decrease, mainly, in the prices of *alcoholic beverages (not served)*.
- 0.2% in the group <u>Transport</u>, due to the decrease, mainly, in the prices of *tickets for passenger transport by air.* This decrease was partly offset by the increase, mainly, in the prices of *petrol*.
- 0.4% in the group <u>Communication</u>, due to the decrease, mainly, in the prices of *wireless telephone services*.

The 0.8% increase of the Overall CPI in December 2019, compared with the corresponding index in December 2018 is, mainly, due to the changes in the groups of goods and services as follows:

1. **An increase of:**

- 0.3% in the group Food and non-alcoholic beverages due to the increase, mainly, in the prices of: *meat, fresh whole milk, cheese*, *fresh fruit.* This increase was partly offset by the decrease, mainly, in the prices of*: bread and cereals, fresh fish, oils and fats, potatoes, preserved or processed vegetables, sugar-chocolates-sweets-ice creams, other food, coffee-cocoa-tea, fruit juices.*
- 0.5% in the group Clothing and footwear, due to the increase in the prices of clothing and footwear.
- 1.9% in the group Health, due to the increase, mainly, in the prices of *pharmaceutical products.*
- 3.5% in the group Transport, due to the increase, mainly, in the prices of: *fuels and lubricants, tickets for passenger transport by air.*
- 1.0% in the group Communication, due to the increase, mainly, in the prices of *telephone services*.
- 0.5% in the group Education, due to the increase, mainly, in the prices of *fees of pre-primary and primary education*.
- 0.9% in the group Hotel-Cafés-Restaurants, due to the increase, mainly, in the prices of: *restaurants-confectioneries-cafés-buffets, hotels-motels-inns.*
- 0.2% in the group Miscellaneous goods and services, due to the increase, mainly, in the prices of *motor vehicle insurance*.

2. **A decrease of:**

- 0.1% in the group Alcoholic beverages and tobacco, due to the decrease, mainly, in the prices of *alcoholic beverages (not served)*.
- 1.3% in the group Household equipment, due to the decrease, mainly, in the prices of: *furniture and furnishings*, *household textiles, household appliances and repair.* This decrease was partly offset by the increase, mainly, in the prices of *non-durable household articles.*
- 2.0% in the group Recreation and culture, due to the decrease, mainly, in the prices of: *audiovisual and information processing equipment, small recreation items-flowers-pets.*

Table 1. Monthly rates of change of CPI
(Reference year: 2009=100.0)

Main groups of goods and services	Weights HBS 2017 (‰)	2019 December	2019 November	Rate of change %	2018 December	2018 November	Rate of change %
1. Food & non-alcoholic beverages	205.76	105.29	105.02	0.3	104.95	105.56	-0.6
2. Alcoholic beverages and tobacco	39.57	147.87	148.77	-0.6	148.05	148.12	0.0
3. Clothing and footwear	64.79	103.58	93.74	10.5	103.08	94.03	9.6
4. Housing	141.34	120.49	120.01	0.4	120.46	122.18	-1.4
5. Household equipment	43.29	87.31	87.31	0.0	88.46	87.89	0.7
6. Health	74.17	99.16	99.13	0.0	97.31	97.30	0.0
7. Transport	142.99	126.45	126.66	-0.2	122.13	123.90	-1.4
8. Communication	43.85	106.80	107.28	-0.4	105.74	104.67	1.0
9. Recreation and culture	39.76	86.80	86.98	-0.2	88.54	88.45	0.1
10. Education	32.49	88.98	88.98	0.0	88.51	88.45	0.1
11. Hotels-Cafés-Restaurants	106.64	109.06	108.90	0.1	108.08	108.47	-0.4
12. Miscellaneous goods and services	65.33	91.44	91.55	-0.1	91.25	90.92	0.4
Overall Index	**1000.00**	**107.76**	**107.05**	**0.7**	**106.92**	**106.81**	**0.1**

Note: The indices are rounded up to two decimal figures when published and percentage changes up to one decimal figure when published.

Graph 2. Annual and monthly rates of change (%) of CPI

4
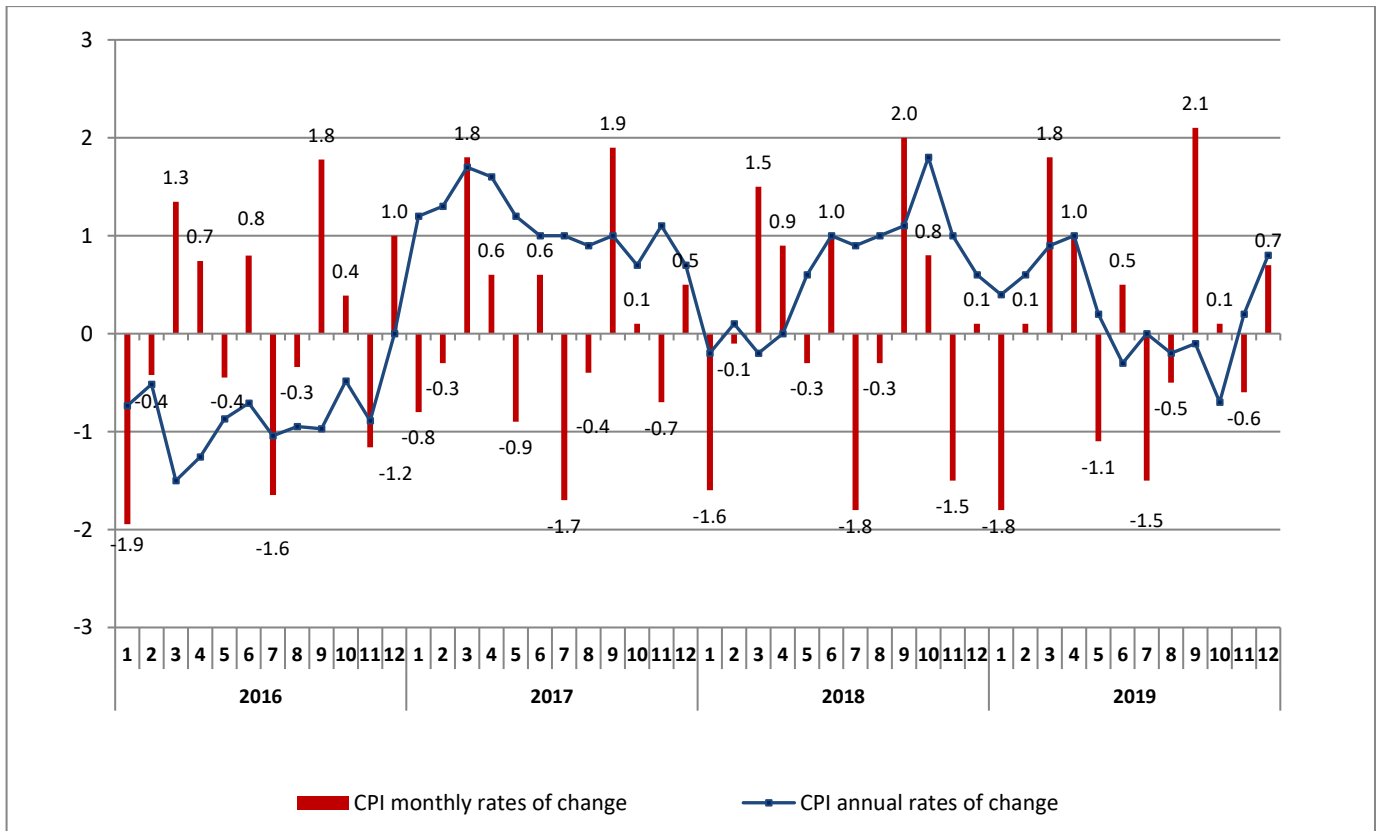
Table 2. Inflation – Annual rates of change of CPI
(Reference year: 2009=100.0)

I: December 2019/2018

Main groups of goods and services	December		Rate of change (%)	Impact
	2019	2018		
1. Food and non-alcoholic beverages	105.29	104.95	0.3	0.0679
2. Alcoholic beverages and tobacco	147.87	148.05	-0.1	-0.0047
3. Clothing and footwear	103.58	103.08	0.5	0.0310
4. Housing	120.49	120.46	0.0	0.0030
5. Household equipment	87.31	88.46	-1.3	-0.0566
6. Health	99.16	97.31	1.9	0.1406
7. Transport	126.45	122.13	3.5	0.5052
8. Communication	106.80	105.74	1.0	0.0440
9. Recreation and culture	86.80	88.54	-2.0	-0.0782
10. Education	88.98	88.51	0.5	0.0175
11. Hotels-Cafés-Restaurants	109.06	108.08	0.9	0.0968
12. Miscellaneous goods and services	91.44	91.25	0.2	0.0136
Overall Index	**107.76**	**106.92**	**0.8**	

II: December 2018/2017

Main groups of goods and services	December		Rate of change (%)	Impact
	2018	2017		
1. Food and non-alcoholic beverages	104.95	104.55	0.4	0.0779
2. Alcoholic beverages and tobacco	148.05	146.32	1.2	0.0515
3. Clothing and footwear	103.08	103.06	0.0	0.0014
4. Housing	120.46	119.15	1.1	0.1500
5. Household equipment	88.46	90.01	-1.7	-0.0779
6. Health	97.31	96.59	0.7	0.0553
7. Transport	122.13	121.19	0.8	0.1132
8. Communication	105.74	100.38	5.3	0.2235
9. Recreation and culture	88.54	89.26	-0.8	-0.0333
10. Education	88.51	89.22	-0.8	-0.0258
11. Hotels-Cafés-Restaurants	108.08	107.22	0.8	0.0808
12. Miscellaneous goods and services	91.25	91.99	-0.8	-0.0534
Overall Index	**106.92**	**106.33**	**0.6**	

Note: The indices are rounded up to two decimal figures when published and percentage changes up to one decimal figure when published.

Table 3. Comparisons of the overall CPI
(Reference year: 2009=100.0)

Year and month	Overall Index	Monthly rates of change %	Annual rates of change Inflation %	Annual average index (moving average)	Annual average rates of change %
2016: 1	103.56	-1.9	-0.7	105.46	-1.6
2	103.12	-0.4	-0.5	105.41	-1.4
3	104.51	1.3	-1.5	105.28	-1.4
4	105.28	0.7	-1.3	105.17	-1.3
5	104.81	-0.4	-0.9	105.09	-1.2
6	105.65	0.8	-0.7	105.03	-1.1
7	103.91	-1.6	-1.0	104.94	-1.0
8	103.55	-0.3	-0.9	104.85	-0.9
9	105.39	1.8	-1.0	104.77	-0.9
10	105.80	0.4	-0.5	104.73	-0.8
11	104.57	-1.2	-0.9	104.65	-0.8
12	105.64	1.0	0.0	104.65	-0.8
Annual average	*104.65*	*-*	*-*	*104.65*	*-0.8*
2017: 1	104.76	-0.8	1.2	104.75	-0.7
2	104.46	-0.3	1.3	104.86	-0.5
3	106.33	1.8	1.7	105.01	-0.3
4	107.01	0.6	1.6	105.16	0.0
5	106.06	-0.9	1.2	105.26	0.2
6	106.72	0.6	1.0	105.35	0.3
7	104.94	-1.7	1.0	105.44	0.5
8	104.48	-0.4	0.9	105.51	0.6
9	106.45	1.9	1.0	105.60	0.8
10	106.56	0.1	0.7	105.67	0.9
11	105.77	-0.7	1.1	105.77	1.1
12	106.33	0.5	0.7	105.82	1.1
Annual average	*105.82*	*-*	*-*	*105.82*	*1.1*
2018: 1	104.58	-1.6	-0.2	105.81	1.0
2	104.52	-0.1	0.1	105.81	0.9
3	106.08	1.5	-0.2	105.79	0.7
4	107.05	0.9	0.0	105.80	0.6
5	106.70	-0.3	0.6	105.85	0.6
6	107.76	1.0	1.0	105.94	0.6
7	105.84	-1.8	0.9	106.01	0.5
8	105.49	-0.3	1.0	106.09	0.5
9	107.61	2.0	1.1	106.19	0.6
10	108.44	0.8	1.8	106.35	0.6
11	106.81	-1.5	1.0	106.43	0.6
12	106.92	0.1	0.6	106.48	0.6
Annual average	*106.48*	*-*	*-*	*106.48*	*0.6*
2019: 1	105.04	-1.8	0.4	106.52	0.7
2	105.17	0.1	0.6	106.58	0.7
3	107.08	1.8	0.9	106.66	0.8
4	108.14	1.0	1.0	106.75	0.9
5	106.95	-1.1	0.2	106.77	0.9
6	107.46	0.5	-0.3	106.75	0.8
7	105.89	-1.5	0.0	106.75	0.7
8	105.31	-0.5	-0.2	106.74	0.6
9	107.53	2.1	-0.1	106.73	0.5
10	107.67	0.1	-0.7	106.66	0.3
11	107.05	-0.6	0.2	106.68	0.2
12	107.76	0.7	0.8	106.75	0.3
Annual average	**106.75**	*-*	*-*	**106.75**	**0.3**

Note: The indices are rounded up to two decimal figures when published and percentage changes up to one decimal figure when published.

Table 4. Major price changes from index comparison between December 2019 and November 2019 and their impact on the Overall CPI

Goods and services	Rate of change (%)	Impact
Pork	2.6	0.02
Lamb and goat	2.4	0.01
Fresh fish	1.9	0.02
Fresh whole milk	3.6	0.03
Fresh vegetables	2.7	0.03
Potatoes	2.7	0.01
Cheese	-0.8	-0.01
Olive oil	-2.0	-0.02
Fresh fruit	-4.7	-0.07
Alcoholic beverages (not served)	-2.0	-0.02
Natural gas	8.7	0.03
Heating oil	1.1	0.03
Petrol	0.2	0.01
Passenger transport by air	-2.1	-0.04
Wireless telephone services	-1.0	-0.02
Restaurants-confectioneries-cafes-buffets	0.2	0.02
Recovery of prices up to normal levels before the 10-day period of winter sales	-	0.62

Table 5. Major price changes from index comparison between December 2019 and December 2018 and their impact on the Overall CPI
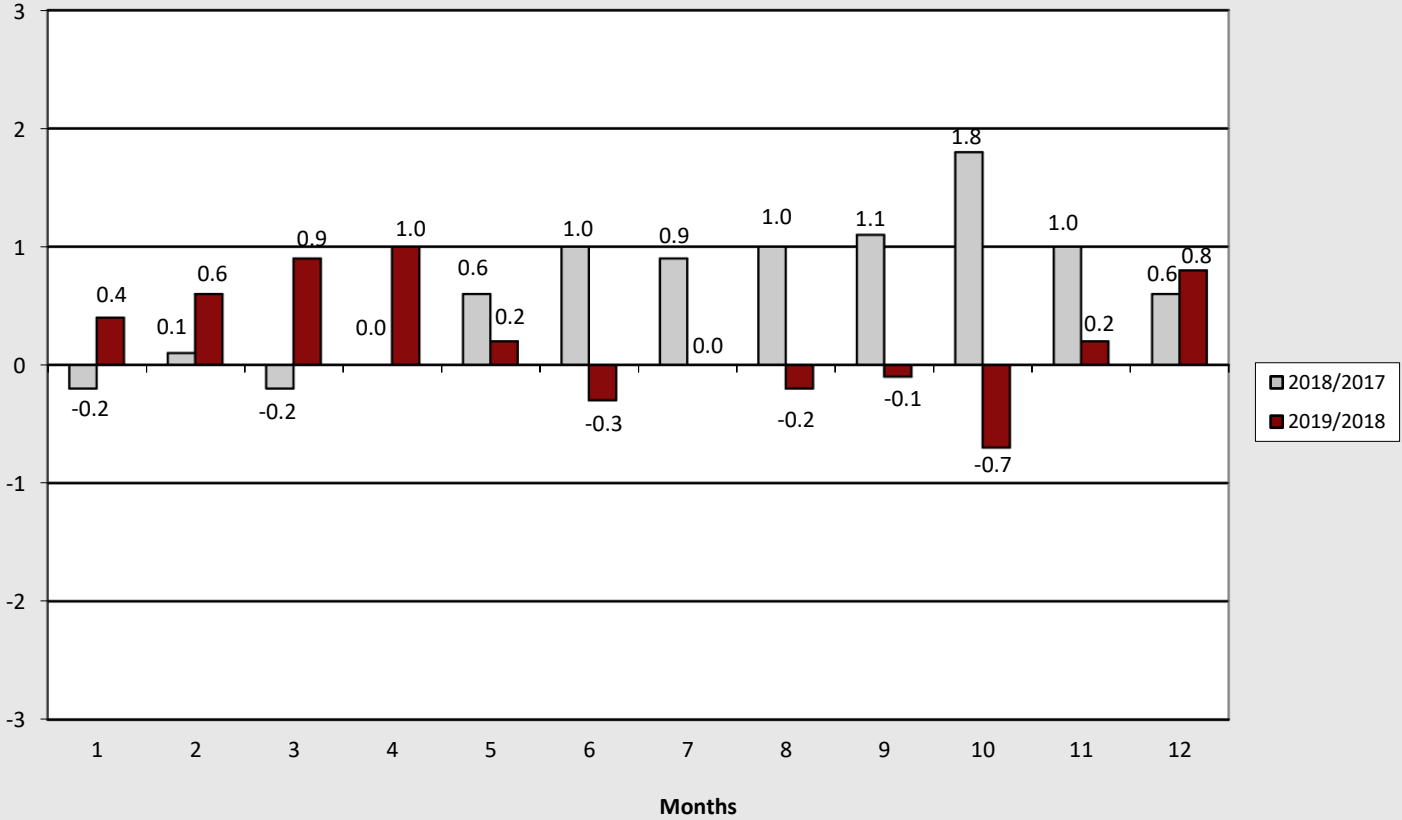
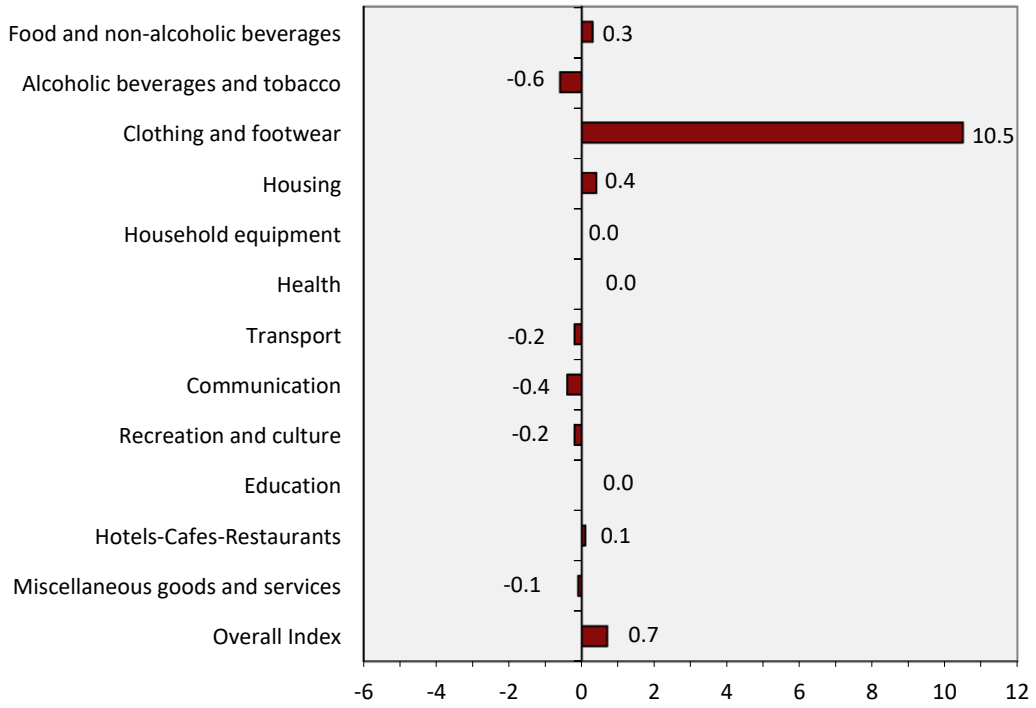| Goods and services	Rate of change (%)	Impact
Oils and fats	-6.5	-0.07
Fresh whole milk	8.8	0.06
Fresh fruit	12.1	0.15
Cheese	2.5	0.04
Meat	3.2	0.15
Bread and cereals	-1.6	-0.05
Preserved or processed vegetables	-3.3	-0.02
Sugar-chocolates-sweets-ice creams	-4.2	-0.04
Other food	-3.0	-0.01
Coffee-cocoa-tea	-7.7	-0.04
Fruit juices	-7.7	-0.02
Fresh fish	-1.9	-0.02
Potatoes	-9.4	-0.04
Alcoholic beverages (not served)	-0.6	-0.01
Clothing and footwear	0.5	0.03
Heating oil	2.1	0.05
Electricity	-0.4	-0.01
Natural gas	-8.7	-0.04
Non-durable household articles	0.8	0.01
Household textiles	-5.7	-0.03
Furniture and furnishings	-4.0	-0.01
Household appliances and repair	-2.5	-0.02
Pharmaceutical products	5.6	0.14
Fuels and lubricants	5.0	0.29
Passenger transport by air	14.0	0.23
Telephone services	1.2	0.05
Audiovisual and information processing equipment	-9.1	-0.06
Small recreation items-flowers-pets	-1.4	-0.01
Pre-primary and primary education	2.2	0.02
Restaurants-confectioneries-cafes-buffets	0.4	0.04
Hotels-motels-inns	9.1	0.05
Motor vehicle insurance	1.0	0.02

Graph 3. Monthly rates of change (%) of the overall CPI, 2018 and 2019
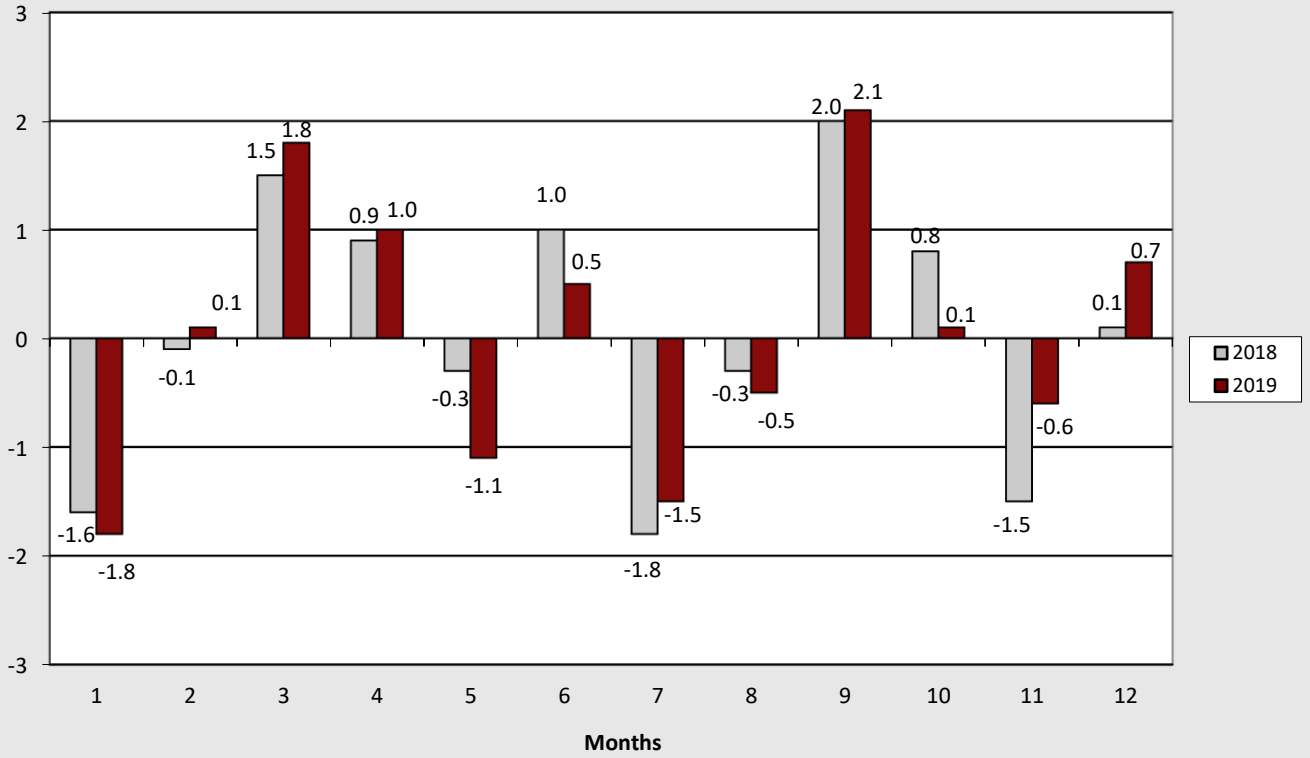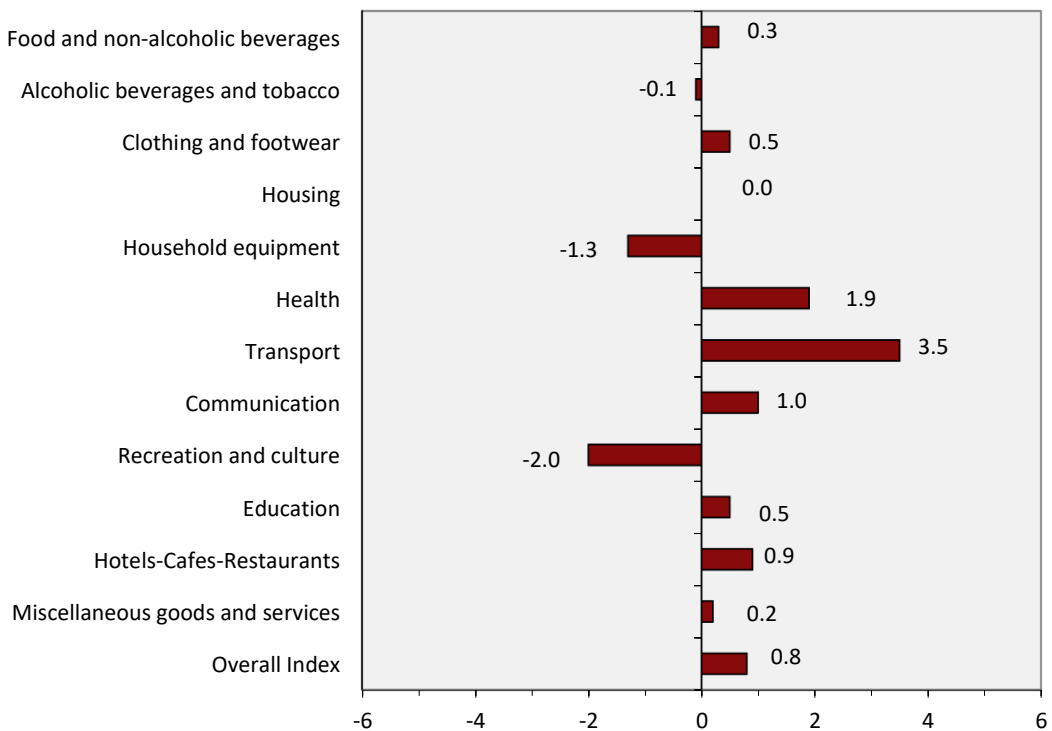

Months

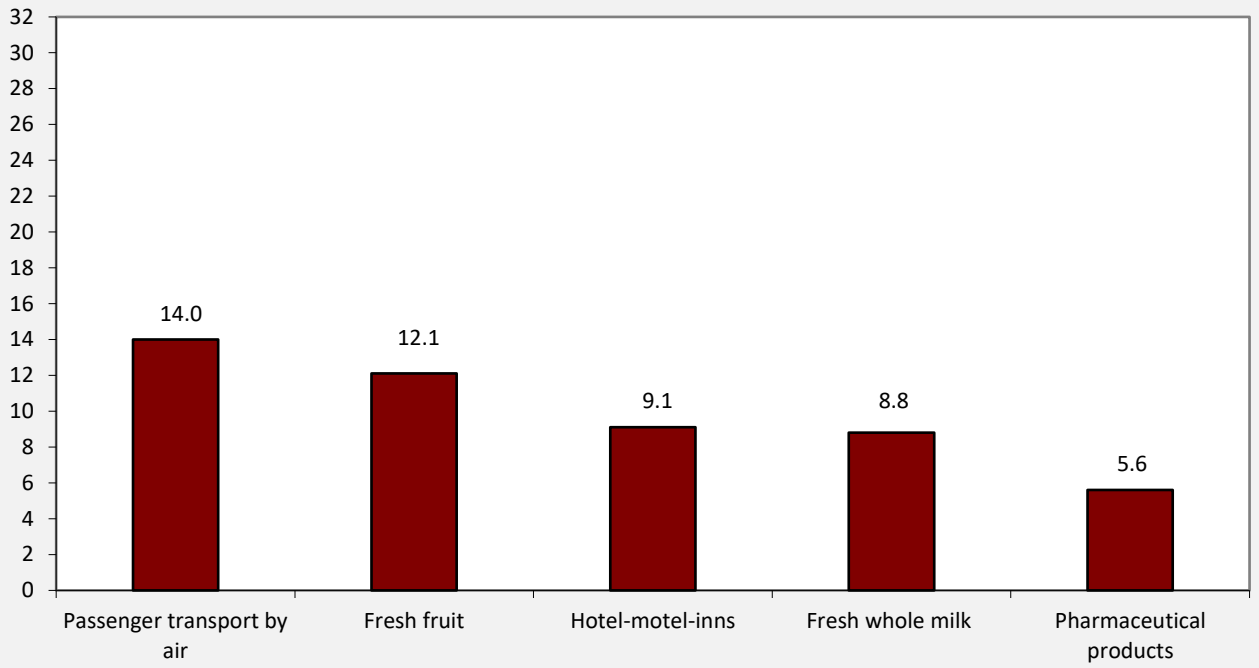**Graph 4. Annual rates of change (%) of the overall CPI, 2018 and 2019**

Months

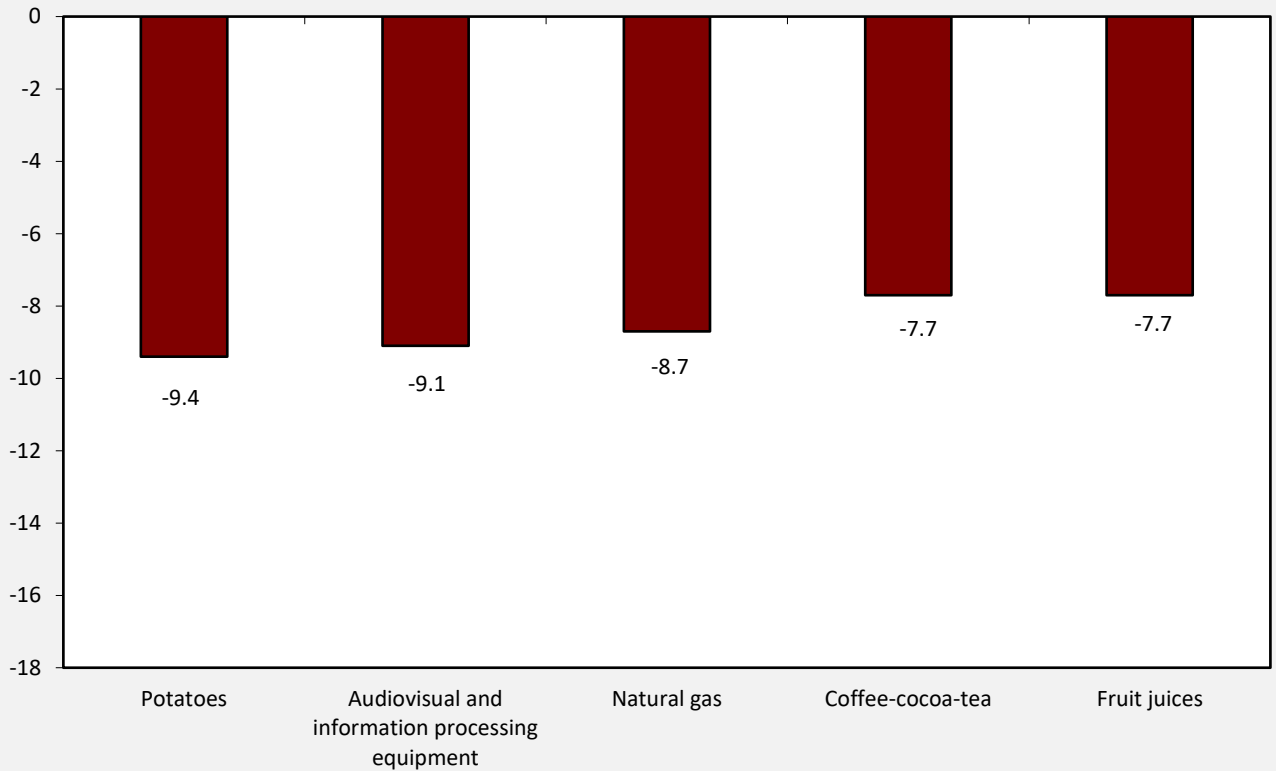**Graph 5. Monthly rates of change (%) of CPI between December 2019 and November 2019**

Category	Value
Food and non-alcoholic beverages	0.3
Alcoholic beverages and tobacco	-0.6
Clothing and footwear	10.5
Housing	0.4
Household equipment	0.0
Health	0.0
Transport	-0.2
Communication	-0.4
Recreation and culture	-0.2
Education	0.0
Hotels-Cafes-Restaurants	0.1
Miscellaneous goods and services	-0.1
Overall Index	0.7

Graph 6. Annual rates of change (%) of CPI between December 2019 and December 2018

Category	Value
Food and non-alcoholic beverages	0.3
Alcoholic beverages and tobacco	-0.1
Clothing and footwear	0.5
Housing	0.0
Household equipment	-1.3
Health	1.9
Transport	3.5
Communication	1.0
Recreation and culture	-2.0
Education	0.5
Hotels-Cafes-Restaurants	0.9
Miscellaneous goods and services	0.2
Overall Index	0.8

Graph 7. CPI highest annual increases (%)

Category	Value
Passenger transport by air	14.0
Fresh fruit	12.1
Hotel-motel-inns	9.1
Fresh whole milk	8.8
Pharmaceutical products	5.6

Graph 8. CPI highest annual decreases (%)

Category	Value
Potatoes	-9.4
Audiovisual and information processing equipment	-9.1
Natural gas	-8.7
Coffee-cocoa-tea	-7.7
Fruit juices	-7.7

11

Graph 9. Historical evolution of CPI. 1968 – 2019

Legend: Annual average rate (%) — Annual rate - Inflation (%)

METHODOLOGICAL NOTES

Generally
The Consumer Price Index (CPI) is compiled by the Hellenic Statistical Authority (ELSTAT) since 1959. Until the year 2000, the CPI referred to the urban areas of the Country, while from 2001 onwards it refers to the whole Country covering urban, semi-urban and rural areas.

Purpose of the index
The purpose of the CPI is to measure the general level of prices of goods and services purchased by the average Greek household.

Legal basis
Law 3832/2010.

Reference period
Month.

Base
December of the previous year.

Reference year
2009=100.0.

Chain linking Index
The CPI index follows the chain linking method, introducing new weights annually and having as a base the December of the previous year. The weights are estimated on the basis of the most recent available data of the Household Budget Survey (HBS), extrapolated to the prices of December. The CPI, adjusted on an annual basis to the most recent consumption expenditure pattern of the private households of the Country, ensures the representativeness of goods and services, which compose the "basket" of purchases of the average household.

Geographical and population coverage of the CPI
The CPI refers to the whole Country and covers the resident households of the territory excluding collective households (hospitals, homes for the elderly, boarding houses, prisons, etc.) and non-resident households (tourists) in the Country.

Classification of items
The classification of the CPI items (goods and services) is based on the international classification COICOP (Classification of Individual Consumption by Purpose) as this has been adapted to the needs of the HICPs of the EU Member States with the COICOP5/HICP classification.

Weights of items
The weights of CPI items are updated every year, on the basis of the most recent available data of HBS. The weights are calculated as the share (‰) of the expenditures for each group, subgroup and item (good or service) to the total household expenditure of the average household.

Price collection Cities
The CPI prices are collected in 27 cities with representative markets for the coverage of the 13 Regions of the Country. The selection criteria of the price collection cities are the size and the particularities of their markets, the possibility of continuous price collection, the comparability of the index and the cost of price collection.

Population weights
The calculation of the population weights by regions is based on the population data of the 2011 General Population Census and the expenditure data of the latest available HBS by regions.

Selection of items
The composition of the "household basket" i.e. the selection of goods and services which are included in the calculation of CPI is updated annually, using the results of the latest available HBS, other market research, etc. The chain linking methodology allows the change of items of the household basket on an annual basis, in order to ensure the representativeness of the items involved in the calculation of groups and subgroups of CPI.

Price collection-Outlets
The prices collection outlets are retail stores, enterprises providing services, street markets etc. which are considered representative of the branches of shops, where the households make their purchases in the 27 selected cities. The methodology allows the renewal of price collection sources, annually, in order to maintain their representativeness in the calculation of CPI. Prices are collected by employees of ELSTAT as well as by external price collectors, hired on a temporary basis. They pay a visit to the selected outlets within a specific time period of a month (monthly prices) or on a specific day of the week (weekly prices). The collected prices correspond to the prices actually faced by the consumer.

Specification-Substitution of items
All the collected items are defined by the specification, that is the particular characteristics which determine the quality, the trade show and the identity, in general, of good products (such as brand, weight, package etc), in order to avoid any price variations attributable to differences in the specification. Once a specified item (good or service) is no longer available in the market or has ceased to be important, as regards consumption, it is substituted by a newly specified item, which has taken its place in the market.

Calculation of the Consumer Price Index

The Consumer Price Index is a Laspeyres-type index and it is calculated based on December of the previous year.

<u>Implementation of formula in five-digit level of COICOP5</u>

Specifically, if the five-digit item h includes q price collected items, then its index in month t of year T, $R_h^{t,T}$, is given by the following formula:

$$R_h^{t,T} = R_h^{12,T-1} \left[\frac{\sum\limits_{i=1}^{q} w_i^T R_i^{t,T} / R_i^{12,T-1}}{\sum\limits_{i=1}^{q} w_i^T} \right],$$

where:

$R_h^{12,T-1}$ = the index of the five-digit item h, in December of year T-1.

w_i^T = the weight of the price collected item I, in year T.

$R_i^{t,T}$ = the index of the price collected item I, in month t of year T.

$R_i^{12,T-1}$ = the index of the price collected item I, in December of year T-1.

A similar methodology is followed for the calculation of indices in the upper levels (two-digit, three-digit and four-digit) of COICOP5 and the calculation of the overall CPI as well.

Publication of data

The published CPI time series (reference year 2009=100.0), covers the period from January 1959 onwards. The CPI data are released each month as scheduled, in accordance with the Press Releases Calendar of ELSTAT, with the <u>Press Release and the tables</u>.

References

Further information concerning the methodology and the compilation of the CPI is available in the <u>Methodological Publication CPI (2009=100.0)</u> and the <u>Single Integrated Metadata Structure (SIMS)</u>.