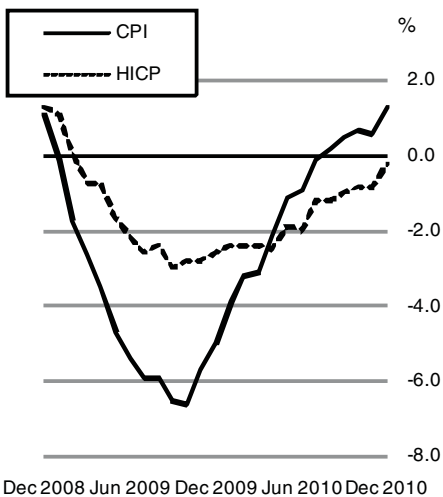




## Consumer Price Index December 2010

**CPI/HICP - all items**  
**Annual Percentage Change**



**CPI and HICP**

	CPI		HICP	
	% monthly change	% annual change	% monthly change	% annual change
Aug 2010	+ 0.7	+ 0.2	+ 0.2	- 1.2
Sep 2010	- 0.1	+ 0.5	- 0.2	- 1.0
Oct 2010	-	+ 0.7	+ 0.1	- 0.8
Nov 2010	- 0.1	+ 0.6	- 0.2	- 0.8
Dec 2010	+ 0.2	+ 1.3	+ 0.2	- 0.2

### Prices rise by 1.3% in the year to December

Consumer Prices in December, as measured by the CPI, increased by 0.2% in the month. This compares to a decrease of 0.5% recorded in December of last year. Prices on average, as measured by the CPI, were 1.3% higher in December compared with December 2009.

The EU Harmonised Index of Consumer Prices (HICP) increased by 0.2% in the month, compared to a decrease of 0.5% recorded in December of last year. Prices on average, as measured by the HICP, were 0.2% lower in December compared with December 2009.

The most notable changes in the year were increases in *Housing, Water, Electricity, Gas & Other Fuels* (+9.9%), *Transport* (+3.7%) and *Miscellaneous Goods & Services* (+3.4%). There were decreases in *Clothing & Footwear* (-4.1%), *Alcoholic Beverages & Tobacco* (-3.0%) and *Education* (-3.0%).

The annual rate of inflation for Services was 2.1% in the year to December, while Goods increased by 0.5%.

The most significant monthly price changes were increases in *Transport* (+1.8%), *Miscellaneous Goods & Services* (+1.2%) and *Housing, Water, Electricity, Gas & Other Fuels* (+0.6%). There were decreases in *Clothing & Footwear* (-2.2%) and *Alcoholic Beverages & Tobacco* (-1.3%).

The main factors contributing to the monthly change were as follows:

- ◆ *Transport* rose mainly due to increases in petrol and diesel prices.
- ◆ *Miscellaneous Goods & Services* rose due to increases in hairdressing prices and higher premiums for private health and motor car insurance.
- ◆ *Housing, Water, Electricity, Gas & Other Fuels* rose due to an increase in the cost of home heating oil.
- ◆ *Clothing & Footwear* fell due to sales.
- ◆ *Alcoholic Beverages & Tobacco* fell mainly due to lower prices for wine and spirits sold in off licences and supermarkets.

The CPI excluding tobacco index for December increased by 0.3% in the month and was up by 1.4% in the year. The CPI excluding energy products fell by 0.2% in the month and increased by 0.2% in the year. The CPI excluding mortgage interest increased by 0.3% in the month and was up by 0.2% in the year.

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# Consumer Price Index Annual Review - 2010

**Annual Average Inflation in 2010 was -1.0%** This analysis compares the annual average rates of inflation for 2010 with the annual average rates of inflation for 2009.

The annual average rate of inflation in 2010 was -1.0%. This compares to a rate of -4.5% for 2009 and +4.1% for 2008. The largest annual price fall for the year was recorded in January, when prices on average fell 3.9% compared to the previous January.

**Clothing & Footwear and Food & Non-Alcoholic Beverages were the major contributing factors to the overall fall in prices**

There were decreases in 6 of the 12 main commodity groups during the year. Some of the most notable changes are as follows:

- Clothing & Footwear prices decreased on average by 9.4% during the year due to more frequent sales.
- Food & Non-Alcoholic Beverages prices decreased by 4.5% during the year with food prices falling by 4.6% and non-alcoholic beverages prices falling by 3.6%.
- Housing, Water, Electricity, Gas & Other Fuels costs increased by 1.3% during the year compared to a decrease of 22% in 2009. This was primarily due to increases in average mortgage interest repayments (+6.4%) and a significant increase in the cost of home heating oil (+31.5%).
- Energy products increased by 9.6% in the year compared to a decrease of 7.9% in 2009 and an increase of 8.8% in 2008.
- During 2010, the average price of goods fell by 2.2% while the average price of services (which includes mortgage interest) rose by 0.2%. During 2009, the average price of goods fell by 4.3% while the average prices of services declined by 4.6%.

**Largest falls recorded in Clothing & Footwear and in Food & Non-Alcoholic Beverages**

Of the twelve main COICOP groups, seven showed lower annual average inflation rates for 2010 than was the case in 2009 with four showing a higher rate of inflation and one showing no change. The largest decreases were recorded for *Clothing & Footwear* (-9.4%), *Food & Non-Alcoholic Beverages* (-4.5%) and *Furnishings, Household Equipment & Routine Household Maintenance* (-4.1%). The largest increases were recorded for *Education* (+6.4%) and *Transport* (+3.1%). The remaining seven COICOP groups showed changes between +/-3% for the year.

**Education shows the highest price increase since 2006**

Over the period 2006 to 2010, only *Clothing & Footwear* and *Furnishings, Household Equipment & Routine Household Maintenance* showed negative inflation. The highest increases over the period were for *Education* (+26.1%), *Alcoholic Beverages & Tobacco* (+14.3%), *Health* (+13.6%), and *Miscellaneous Goods & Services* (+12.5%). The overall increase in the Consumer Price Index over this period was 3.3%.

**HICP** Prices on average, as measured by the HICP fell by 1.6% in 2010 compared to -1.7% in 2009.

**Table A Percentage Changes by Category in the CPI and selected Indices**

COICOP Group	Percentage changes				
	Annual				2006-2010 <sup>1</sup>
	2007	2008	2009	2010	
01 Food and Non-Alcoholic Beverages	+ 2.8	+ 6.5	- 3.5	- 4.5	+ 0.9
02 Alcoholic Beverages and Tobacco	+ 5.3	+ 4.8	+ 6.3	- 2.6	+ 14.3
03 Clothing and Footwear	- 3.3	- 4.9	- 11.7	- 9.4	- 26.4
04 Housing, Water, Electricity, Gas and Other Fuels	+ 20.4	+ 9.6	- 22.0	+ 1.3	+ 4.3
05 Furnishings, Household Equipment and Routine Household Maintenance	- 1.7	- 1.6	- 3.1	- 4.1	- 10.1
06 Health	+ 2.9	+ 6.0	+ 3.5	+ 0.6	+ 13.6
07 Transport	+ 2.2	+ 3.4	- 4.0	+ 3.1	+ 4.5
08 Communication	+ 0.5	+ 1.0	+ 0.5	+ 1.4	+ 3.4
09 Recreation and Culture	+ 1.5	+ 1.3	- 0.3	- 1.8	+ 0.7
10 Education	+ 5.1	+ 6.1	+ 6.4	+ 6.4	+ 26.1
11 Restaurants and Hotels	+ 4.1	+ 3.1	-	- 2.6	+ 4.6
12 Miscellaneous Goods and Services	+ 1.0	+ 2.4	+ 7.6	+ 1.1	+ 12.5
<b>All Items</b>	<b>+ 4.9</b>	<b>+ 4.1</b>	<b>- 4.5</b>	<b>- 1.0</b>	<b>+ 3.3</b>
Goods	+ 1.0	+ 3.0	- 4.3	- 2.2	- 2.7
Services	+ 8.4	+ 5.0	- 4.6	+ 0.2	+ 8.7
Energy Products	+ 4.6	+ 8.8	- 7.9	+ 9.6	+ 14.9
CPI excluding Tobacco	+ 4.6	+ 4.0	- 5.0	- 1.1	+ 2.2
CPI excluding Housing	+ 2.4	+ 3.2	- 1.0	- 1.3	+ 3.3
CPI excluding Mortgage Interest	+ 2.7	+ 3.1	- 1.2	- 1.4	+ 3.2
CPI Excluding Energy Products	+ 4.9	+ 3.6	- 4.1	- 1.9	+ 2.3
Groceries Order Items	+ 1.6	+ 6.4	- 1.8	- 5.3	+ 0.5
Non Groceries Order Items	+ 2.8	+ 2.0	- 5.1	- 5.9	- 6.4
<b>HICP</b>	<b>+ 2.8</b>	<b>+ 3.1</b>	<b>- 1.7</b>	<b>- 1.6</b>	<b>+ 2.6</b>

<sup>1</sup>This column presents the overall % change in prices for the period 2006 to 2010

**Table 1 Consumer Price Index (All Items)**

Period	Consumer Price Index		Percentage changes			
	Current base Dec. 2006=100 <sup>1</sup>	Former base Dec. 2001=100 <sup>1</sup>	One month	Three months	12 months	
			%	%	%	
<b>2004</b>	Year				+ 2.2	
<b>2005</b>	Year				+ 2.5	
<b>2006</b>	Year				+ 4.0	
<b>2007</b>	Year	102.8			+ 4.9	
<b>2008</b>	Year	107.0			+ 4.1	
<b>2009</b>	Year	102.2			- 4.5	
<b>2010</b>	Year	101.2			- 1.0	
<b>2007</b>	January	99.9	117.9	- 0.1	+ 0.7	+ 5.2
	February	100.7	118.9	+ 0.8	+ 1.1	+ 4.8
	March	101.4	119.7	+ 0.7	+ 1.4	+ 5.1
	April	102.2	120.6	+ 0.8	+ 2.3	+ 5.1
	May	102.6	121.1	+ 0.4	+ 1.9	+ 5.0
	June	102.8	121.4	+ 0.2	+ 1.4	+ 4.9
	July	103.1	121.7	+ 0.3	+ 0.9	+ 5.0
	August	103.6	122.2	+ 0.5	+ 1.0	+ 4.8
	September	103.9	122.7	+ 0.3	+ 1.1	+ 4.6
	October	104.0	122.8	+ 0.1	+ 0.9	+ 4.8
	November	104.6	123.5	+ 0.6	+ 1.0	+ 5.0
	December	104.7	123.6	+ 0.1	+ 0.8	+ 4.7
<b>2008</b>	January	104.2	123.0	- 0.5	+ 0.2	+ 4.3
	February	105.5	124.5	+ 1.2	+ 0.9	+ 4.8
	March	106.5	125.7	+ 0.9	+ 1.7	+ 5.0
	April	106.6	125.9	+ 0.1	+ 2.3	+ 4.3
	May	107.4	126.7	+ 0.8	+ 1.8	+ 4.7
	June	107.9	127.4	+ 0.5	+ 1.3	+ 5.0
	July	107.6	127.0	- 0.3	+ 0.9	+ 4.4
	August	108.1	127.6	+ 0.5	+ 0.7	+ 4.3
	September	108.4	128.0	+ 0.3	+ 0.5	+ 4.3
	October	108.2	127.7	- 0.2	+ 0.6	+ 4.0
	November	107.2	126.6	- 0.9	- 0.8	+ 2.5
	December	105.9	125.0	- 1.2	- 2.3	+ 1.1
<b>2009</b>	January	104.1	122.9	- 1.7	- 3.8	- 0.1
	February	103.7	122.4	- 0.4	- 3.3	- 1.7
	March	103.7	122.4	-	- 2.1	- 2.6
	April	102.9	121.5	- 0.8	- 1.2	- 3.5
	May	102.4	120.9	- 0.5	- 1.3	- 4.7
	June	102.1	120.5	- 0.3	- 1.5	- 5.4
	July	101.3	119.6	- 0.8	- 1.6	- 5.9
	August	101.7	120.0	+ 0.4	- 0.7	- 5.9
	September	101.3	119.6	- 0.4	- 0.8	- 6.5
	October	101.1	119.3	- 0.2	- 0.2	- 6.6
	November	101.1	119.3	-	- 0.6	- 5.7
	December	100.6	118.7	- 0.5	- 0.7	- 5.0
<b>2010</b>	January	100.0	118.1	- 0.6	- 1.1	- 3.9
	February	100.4	118.6	+ 0.4	- 0.7	- 3.2
	March	100.5	118.7	+ 0.1	- 0.1	- 3.1
	April	100.7	118.9	+ 0.2	+ 0.7	- 2.1
	May	101.3	119.6	+ 0.6	+ 0.9	- 1.1
	June	101.2	119.4	- 0.1	+ 0.7	- 0.9
	July	101.2	119.4	-	+ 0.5	- 0.1
	August	101.9	120.3	+ 0.7	+ 0.6	+ 0.2
	September	101.8	120.1	- 0.1	+ 0.6	+ 0.5
	October	101.8	120.2	-	+ 0.6	+ 0.7
	November	101.7	120.0	- 0.1	- 0.2	+ 0.6
	December	101.9	120.3	+ 0.2	+ 0.1	+ 1.3

<sup>1</sup> Data prior to December 2006 is linked to current Consumer Price Index at mid-December 2006.

**Table 2 CPI Subindices, December 2010**

COICOP Group	Dec. 2006 base expenditure weights	Consumer Price Index (CPI)		Percentage changes		
		Current base Dec. 2006	Former base Dec. 2001	One month	Three months	12 months
		CPI excluding Tobacco	96.824	101.3	118.7	+ 0.3
CPI excluding Housing <sup>1</sup>	87.267	102.6	118.1	+ 0.3	+ 0.2	+ 0.1
CPI excluding Mortgage Interest	93.339	102.5	117.9	+ 0.3	+ 0.2	+ 0.2
CPI excluding Energy Products <sup>2</sup>	92.235	100.1	116.6	- 0.2	- 0.4	+ 0.2

<sup>1</sup> Housing includes rents, waste collection & disposal charges, mortgage interest, materials for repairs & decoration and house insurance.

<sup>2</sup> Energy products includes electricity, gas, other domestic and transport fuels.

**Table 3 Consumer Price Commodity Group Indices, December 2010**

COICOP Group	Dec. 2006 base expenditure weights	Consumer Price Index (CPI)		Percentage changes		
		Current base Dec. 2006	Former base Dec. 2001	One month	Three months	12 months
		01 Food and Non-Alcoholic Beverages	11.742	100.9	104.7	+ 0.4
02 Alcoholic Beverages and Tobacco	6.048	108.4	135.0	- 1.3	- 2.1	- 3.0
03 Clothing and Footwear	5.416	71.7	61.3	- 2.2	- 1.0	- 4.1
04 Housing, Water, Electricity, Gas and Other Fuels	16.509	99.1	149.5	+ 0.6	+ 0.8	+ 9.9
05 Furnishings, Household Equipment and Routine Household Maintenance	4.422	89.2	84.2	- 0.2	- 0.4	- 2.8
06 Health	3.154	113.4	152.6	-	+ 0.9	+ 1.5
07 Transport	13.293	107.3	125.2	+ 1.8	+ 1.2	+ 3.7
08 Communications	3.418	104.9	109.5	-	-	+ 2.9
09 Recreation and Culture	10.104	99.3	109.7	- 0.4	- 0.2	- 1.9
10 Education	2.043	121.0	166.6	-	- 0.8	- 3.0
11 Restaurants and Hotels <sup>1</sup>	15.425	102.6	128.9	- 0.2	- 1.1	- 2.2
12 Miscellaneous Goods and Services	8.426	113.7	125.9	+ 1.2	+ 1.9	+ 3.4
<b>ALL ITEMS</b>	<b>100.000</b>	<b>101.9</b>	<b>120.3</b>	<b>+ 0.2</b>	<b>+ 0.1</b>	<b>+ 1.3</b>
<b>Of which:</b>						
Goods <sup>2</sup>	47.080	97.4	104.0	+ 0.5	+ 0.3	+ 0.5
Services <sup>3</sup>	52.920	106.0	136.6	+ 0.1	+ 0.1	+ 2.1
Energy Products	7.765	123.3	175.2	+ 4.8	+ 5.5	+ 13.7
Utilities and Local Charges <sup>4</sup>	3.895	105.0	150.8	-	+ 1.9	+ 1.6
Alcohol <sup>5</sup>	9.979	102.4	121.5	- 0.7	- 1.3	- 4.4
Tobacco	3.176	122.3	167.7	-	-	+ 1.3
Mortgage Interest <sup>6</sup>	6.661	94.4	168.9	- 0.1	- 0.2	+ 24.4

<sup>1</sup> Includes alcoholic beverages consumed on licensed premises.

<sup>2</sup> Non service items usually purchased and transportable from a retail outlet.

<sup>3</sup> Electricity, gas, telecommunications, alcoholic beverages consumed on licensed premises, meals out, housing, rent, mortgage interest repayments, insurance, public transport, entertainment and recreation, education, household services and miscellaneous services including childcare, social protection, package holidays and other services.

<sup>4</sup> Electricity, gas, landline telecommunications and waste collection & disposal charges.

<sup>5</sup> Constitutes part of 02 (see page 12 - off-licence sales) and part of 11 (see page 12 - alcohol consumed on licensed premises) giving a combined index for alcohol.

<sup>6</sup> See Background Notes page 10 for note on mortgage interest

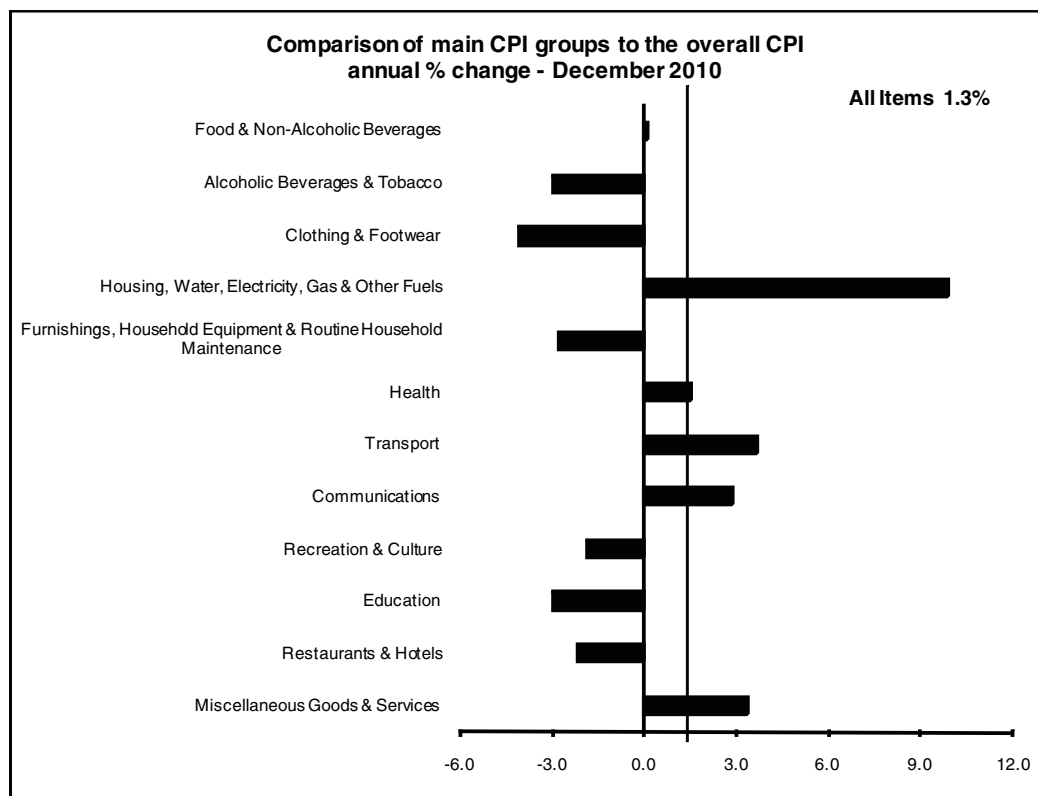
See Background Notes page 12 for definition of COICOP groups.

**Table 4 Contributions to changes in the All Items CPI, December 2010**

COICOP Group	Contributions to overall CPI % change		
	One month	3 months	12 months
01 Food and Non-Alcoholic Beverages	+ 0.04	+ 0.04	+ 0.01
02 Alcoholic Beverages and Tobacco	- 0.08	- 0.14	- 0.21
03 Clothing and Footwear	- 0.08	- 0.04	- 0.17
04 Housing, Water, Electricity, Gas and Other Fuels	+ 0.09	+ 0.12	+ 1.45
05 Furnishings, Household Equipment and Routine Household Maintenance	- 0.01	- 0.02	- 0.11
06 Health	-	+ 0.03	+ 0.05
07 Transport	+ 0.26	+ 0.18	+ 0.50
08 Communications	-	-	+ 0.10
09 Recreation and Culture	- 0.04	- 0.02	- 0.19
10 Education	-	- 0.02	- 0.08
11 Restaurants and Hotels	- 0.03	- 0.16	- 0.35
12 Miscellaneous Goods and Services	+ 0.11	+ 0.17	+ 0.31
<b>ALL ITEMS % change</b>	<b>+ 0.2<sup>1</sup></b>	<b>+ 0.1<sup>1</sup></b>	<b>+ 1.3<sup>1</sup></b>
Goods	+ 0.21	+ 0.13	+ 0.21
Services	+ 0.05	+ 0.02	+ 1.14
Energy Products	+ 0.43	+ 0.49	+ 1.15
Tobacco	-	-	+ 0.05
Mortgage Interest <sup>2</sup>	- 0.01	- 0.01	+ 1.22

<sup>1</sup> Totals may not equal the sum of the categories due to rounding differences.

<sup>2</sup> See Background Notes page 10 for note on mortgage interest



**Table 5 EU Harmonised Index of Consumer Prices - Ireland**

Period	HICP		Percentage changes	
	Year 2005=100	One month	12 months	
		%	%	
<b>2003</b>	Year			+ 4.0
<b>2004</b>	Year			+ 2.3
<b>2005</b>	Year	100.0		+ 2.2
<b>2006</b>	Year	102.7		+ 2.7
<b>2007</b>	Year	105.6		+ 2.8
<b>2008</b>	Year	108.9		+ 3.1
<b>2009</b>	Year	107.1		- 1.7
<b>2010</b>	Year	105.4		- 1.6
<b>2007</b>	January	103.2	- 0.6	+ 2.9
	February	104.1	+ 0.9	+ 2.6
	March	104.8	+ 0.7	+ 2.9
	April	105.3	+ 0.5	+ 2.9
	May	105.6	+ 0.3	+ 2.7
	June	105.9	+ 0.3	+ 2.8
	July	105.7	- 0.2	+ 2.7
	August	106.1	+ 0.4	+ 2.3
	September	106.4	+ 0.3	+ 2.9
	October	106.5	+ 0.1	+ 3.0
	November	107.0	+ 0.5	+ 3.5
	December	107.1	+ 0.1	+ 3.2
<b>2008</b>	January	106.4	- 0.7	+ 3.1
	February	107.7	+ 1.2	+ 3.5
	March	108.7	+ 0.9	+ 3.7
	April	108.8	+ 0.1	+ 3.3
	May	109.5	+ 0.6	+ 3.7
	June	110.0	+ 0.5	+ 3.9
	July	109.5	- 0.5	+ 3.6
	August	109.5	-	+ 3.2
	September	109.8	+ 0.3	+ 3.2
	October	109.4	- 0.4	+ 2.7
	November	109.3	- 0.1	+ 2.1
	December	108.5	- 0.7	+ 1.3
<b>2009</b>	January	107.6	- 0.8	+ 1.1
	February	107.8	+ 0.2	+ 0.1
	March	107.9	+ 0.1	- 0.7
	April	108.0	+ 0.1	- 0.7
	May	107.6	- 0.4	- 1.7
	June	107.6	-	- 2.2
	July	106.7	- 0.8	- 2.6
	August	106.9	+ 0.2	- 2.4
	September	106.5	- 0.4	- 3.0
	October	106.3	- 0.2	- 2.8
	November	106.2	- 0.1	- 2.8
	December	105.7	- 0.5	- 2.6
<b>2010</b>	January	105.0	- 0.7	- 2.4
	February	105.2	+ 0.2	- 2.4
	March	105.3	+ 0.1	- 2.4
	April	105.3	-	- 2.5
	May	105.6	+ 0.3	- 1.9
	June	105.5	- 0.1	- 2.0
	July	105.4	- 0.1	- 1.2
	August	105.6	+ 0.2	- 1.2
	September	105.4	- 0.2	- 1.0
	October	105.5	+ 0.1	- 0.8
	November	105.3	- 0.2	- 0.8
	December	105.5	+ 0.2	- 0.2

**Table 6 EU Harmonised Consumer Price COICOP Group Indices, December 2010  
Ireland**

Commodity Group COICOP	HICP	Percentage change		Percentage contribution	
	Current base Year 2005	One month	12 months	One month	12 months
		%	%	%	%
01 Food and Non-Alcoholic Beverages	102.5	+ 0.3	+ 0.1	+ 0.04	+ 0.01
02 Alcoholic Beverages and Tobacco	113.7	- 1.2	- 3.1	- 0.09	- 0.23
03 Clothing and Footwear	72.3	- 2.2	- 4.2	- 0.09	- 0.19
04 Housing, Water, Electricity, Gas and Other Fuels	112.8	+ 1.0	+ 2.5	+ 0.10	+ 0.24
05 Furnishings, Household Equipment and Routine Household Maintenance	88.1	- 0.2	- 2.9	- 0.01	- 0.13
06 Health	119.5	-	+ 1.5	-	+ 0.06
07 Transport	108.9	+ 2.1	+ 4.0	+ 0.29	+ 0.56
08 Communications	104.4	-	+ 3.0	-	+ 0.12
09 Recreation and Culture	101.4	- 0.4	- 1.8	- 0.04	- 0.21
10 Education	131.0	-	- 3.0	-	- 0.08
11 Restaurants and Hotels	107.8	- 0.3	- 2.2	- 0.03	- 0.38
12 Miscellaneous Goods and Services	113.0	+ 1.2	+ 1.2	+ 0.08	+ 0.09
<b>HICP</b>	<b>105.5</b>	<b>+ 0.2</b>	<b>- 0.2</b>	<b>+ 0.2</b> <sup>1</sup>	<b>- 0.2</b> <sup>1</sup>
Goods	98.7	+ 0.4	+ 0.4	+ 0.23	+ 0.22
Services	112.8	-	- 0.7	+ 0.02	- 0.36

<sup>1</sup> Totals may not equal the sum of the categories due to rounding differences.

**Table 7 EU Harmonised Index of Consumer Prices - annual % changes, July 2010 to November 2010**

Country	November 2009 November 2010	October 2009 October 2010	September 2009 September 2010	August 2009 August 2010	July 2009 July 2010
Austria	1.8 <sup>1</sup>	2.0 <sup>3</sup>	1.7	1.6	1.7
Belgium	3.0	3.1	2.9	2.4	2.4
Cyprus	1.7	3.2	3.6	3.4	2.7
Finland	2.4	2.3	1.4	1.3	1.3
France	1.8	1.8	1.8	1.6	1.9
Germany	1.6	1.3	1.3	1.0	1.2
Greece	4.8	5.2	5.7	5.6	5.5
<b>Ireland</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-1.0</b>	<b>-1.2</b>	<b>-1.2</b>
Italy	1.9	2.0	1.6	1.8	1.8
Luxembourg	2.5	2.9	2.6	2.5	2.9
Malta	3.4	2.2	2.4	3.0	2.5
Netherlands	1.4 <sup>1</sup>	1.4	1.4	1.2	1.3
Portugal	2.2	2.3	2.0	2.0	1.9
Slovakia	1.0	1.0	1.1	1.1	1.0
Slovenia	1.6	2.1	2.1	2.4	2.3
Spain	2.2	2.3	2.1	1.8	1.9
<b>Euro Area (MUICP)<sup>2</sup></b>	<b>1.9</b> <sup>1</sup>	<b>1.9</b>	<b>1.8</b>	<b>1.6</b>	<b>1.7</b>
Bulgaria	4.0	3.6	3.6	3.2	3.2
Czech Republic	1.9	1.8	1.8	1.5	1.6
Denmark	2.5	2.4	2.5	2.3	2.1
Estonia	5.0	4.5	3.8	2.8	2.8
Hungary	4.0	4.3	3.7	3.6	3.6
Latvia	1.7	0.9	0.3	-0.4	-0.7
Lithuania	2.5	2.6	1.8	1.8	1.7
Poland	2.6	2.6	2.5	1.9	1.9
Romania	7.7	7.9	7.7	7.6	7.1
Sweden	1.7	1.6	1.5	1.1	1.4
United Kingdom	3.3	3.2	3.1	3.1	3.1
<b>EU</b>	<b>2.3</b> <sup>1</sup>	<b>2.3</b>	<b>2.2</b>	<b>2.0</b>	<b>2.1</b>

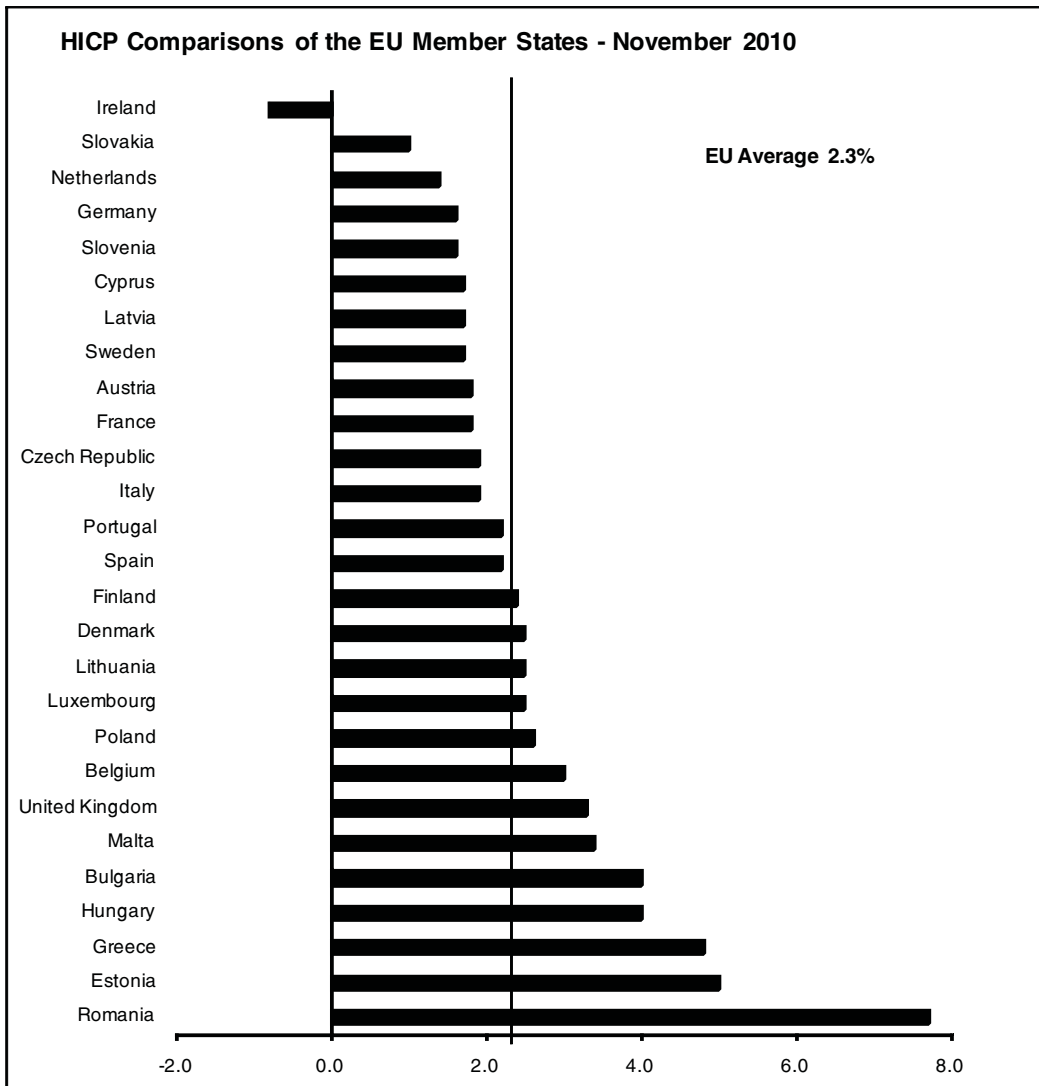
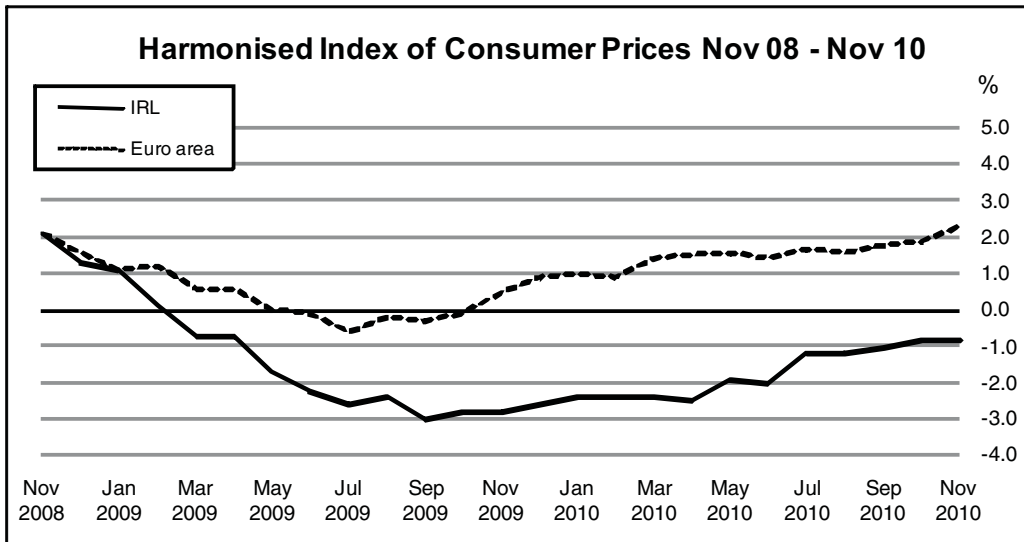
<sup>1</sup> Provisional

<sup>2</sup> MUICP (see Background Notes)

<sup>3</sup> Revised

Source: Eurostat





**Table 8 Main Categories of Harmonised Indices of Consumer Prices - annual % changes, November 2010**

	00	01	02	03	04	05	06	07	08	09	10	11	12
<b>Annual percentage rate of change</b>													
<b>Euro area</b>	1.9 <sup>1</sup>	1.4 <sup>1</sup>	3.4 <sup>1</sup>	1.0 <sup>1</sup>	3.3 <sup>1</sup>	0.7 <sup>1</sup>	0.9 <sup>1</sup>	3.8 <sup>1</sup>	-0.8 <sup>1</sup>	0.0 <sup>1</sup>	1.6 <sup>1</sup>	1.4 <sup>1</sup>	2.3 <sup>1</sup>
<b>EU</b>	2.3 <sup>1</sup>	2.6 <sup>1</sup>	5.2 <sup>1</sup>	0.9 <sup>1</sup>	3.2 <sup>1</sup>	1.0 <sup>1</sup>	1.4 <sup>1</sup>	4.1 <sup>1</sup>	-0.1 <sup>1</sup>	0.3 <sup>1</sup>	2.5 <sup>1</sup>	1.8 <sup>1</sup>	2.3 <sup>1</sup>
<b>Belgium</b>	3.0	3.1	1.4	0.6	7.5	1.0	-0.4	5.8	1.2	0.4	-0.5	2.2	2.0
<b>Germany</b>	1.6	3.2	0.3	2.6	2.3	0.7	0.9	2.3	-2.3	0.1	0.9	0.9	0.7
<b>Ireland</b>	-0.8	-0.7	-3.3	-5.6	1.4	-3.0	1.4	1.0	3.0	-1.6	-3.0	-2.3	0.4
<b>Greece</b>	4.8	1.2	18.9	2.4	7.4	1.7	1.6	14.1	1.4	0.8	-0.1	2.8	3.6
<b>Spain</b>	2.2	0.5	8.5	0.6	5.4	0.9	-1.2	6.6	-0.7	-1.0	2.3	1.5	2.5
<b>France</b>	1.8	0.9	3.4	-0.1	3.6	0.0	1.3	3.4	-1.3	-0.4	3.2	1.2	3.1
<b>Italy</b>	1.9	0.6	3.8	0.9	3.2	1.2	1.4	3.3	-1.5	1.2	2.0	1.6	3.2
<b>Cyprus</b>	1.7	-0.5	-2.1	-0.1	10.3	-1.5	2.2	5.4	0.0	-0.9	3.7	-0.6	2.9
<b>Luxembourg</b>	2.5	1.4	3.1	0.0	6.1	0.8	1.2	3.6	0.2	0.6	5.5	2.3	1.9
<b>Malta</b>	3.4	4.3	2.2	-1.0	10.1	0.8	1.2	4.1	-1.9	-0.5	3.5	6.2	3.3
<b>Netherlands</b>	1.4 <sup>1</sup>	1.2 <sup>1</sup>	3.6 <sup>1</sup>	-0.4 <sup>1</sup>	1.6 <sup>1</sup>	0.3 <sup>1</sup>	0.6 <sup>1</sup>	3.1 <sup>1</sup>	3.0 <sup>1</sup>	1.0 <sup>1</sup>	1.6 <sup>1</sup>	2.6 <sup>1</sup>	2.0 <sup>1</sup>
<b>Austria</b>	1.8 <sup>1</sup>	1.1 <sup>1</sup>	2.3 <sup>1</sup>	1.9 <sup>1</sup>	2.5 <sup>1</sup>	0.2 <sup>1</sup>	1.8 <sup>1</sup>	2.7 <sup>1</sup>	1.8 <sup>1</sup>	1.1 <sup>1</sup>	3.3 <sup>1</sup>	1.5 <sup>1</sup>	2.8 <sup>1</sup>
<b>Portugal</b>	2.2	2.6	5.9	-1.6	5.0	1.5	-0.2	4.9	-1.8	0.5	2.0	1.6	0.5
<b>Slovenia</b>	1.6	1.8	8.7	-0.6	8.7	1.1	3.8	0.7	2.6	-0.2	0.8	-5.3	1.2
<b>Slovakia</b>	1.0	5.0	2.1	-0.2	-1.7	-2.7	2.2	-0.6	-0.2	0.9	4.5	1.3	2.4
<b>Finland</b>	2.4	2.2	2.1	2.2	4.1	2.3	2.2	3.5	-0.3	1.4	4.1	-0.3	3.5
<b>Bulgaria</b>	4.0	4.6	25.7	-0.9	4.3	0.1	0.8	4.8	-1.0	0.3	1.8	-0.6	8.9
<b>Czech Republic</b>	1.9	4.8	4.8	-3.2	3.2	-0.7	6.0	0.6	-1.2	-1.0	2.0	1.3	1.1
<b>Denmark</b>	2.5	2.5	10.8	-2.2	4.6	0.2	-0.2	2.2	-2.6	0.7	4.5	2.0	3.9
<b>Estonia</b>	5.0	11.3	6.9	3.3	6.2	-1.6	0.7	4.5	2.3	1.8	2.0	0.6	1.3
<b>Latvia</b>	1.7	6.9	1.2	-3.8	5.8	-3.7	-0.7	4.0	-3.5	-5.1	0.9	-2.9	-2.5
<b>Lithuania</b>	2.5	4.3	2.5	-4.7	14.2	-3.2	1.0	3.6	-5.1	-1.2	-0.4	-1.9	0.1
<b>Hungary</b>	4.0	6.5	5.0	-0.6	5.3	-0.5	2.7	7.4	0.2	1.2	0.8	1.3	1.4
<b>Poland</b>	2.6	4.4	4.8	-3.1	3.4	0.5	3.1	2.9	-1.1	-0.9	2.0	2.9	1.1
<b>Romania</b>	7.7	6.1	26.3	2.1	8.0	2.0	6.8	12.1	4.2	4.4	4.0	3.3	7.1
<b>Sweden</b>	1.7	2.0	1.2	1.0	3.7	-0.8	2.2	2.2	-1.4	-0.2	1.7	2.9	1.9
<b>United Kingdom</b>	3.3	5.5	6.5	2.1	0.7	3.5	2.9	5.1	3.9	1.1	5.3	3.2	2.9

<sup>1</sup> Provisional

Source: Eurostat

**COICOP/HICP Code**

<b>00</b>	HICP (all items index)	<b>06</b>	Health
<b>01</b>	Food and non-alcoholic beverages	<b>07</b>	Transport
<b>02</b>	Alcoholic beverages and tobacco	<b>08</b>	Communications
<b>03</b>	Clothing and footwear	<b>09</b>	Recreation and culture
<b>04</b>	Housing, water, electricity, gas and other fuels	<b>10</b>	Education
<b>05</b>	Furnishings, household equipment and routine household maintenance	<b>11</b>	Restaurants and hotels
		<b>12</b>	Miscellaneous goods and services

## Background Notes – Consumer Price Index

- Definition** The Consumer Price Index is designed to measure the change in the average level of prices (inclusive of all indirect taxes) paid for consumer goods and services by all private households in the country and by foreign tourists holidaying in Ireland.
- Consumer Price Index (CPI)** Over 50,000 prices are collected for a representative basket consisting of 616 headings which cover over 1,000 different items in a fixed panel of retail and service outlets throughout the country during the week containing the second Tuesday of each month. The dates to which the December index relates are Monday 13th to Tuesday 21st December, 2010.
- Scope of the Index**
- (i) **Population Coverage:** All private households in the state and the expenditure of foreign tourists within Ireland. It does not include the expenditure of persons in institutions and other non private households. Expenditure which occurs abroad by Irish residents is also excluded. In statistical terms coverage is referred to as the domestic concept.
  - (ii) **Geographic Coverage:** Covers the whole of the Republic of Ireland. Pricing takes place in 84 locations (cities and towns) throughout the country. These sampling points are located in Dublin city and county, the four regional cities of Cork, Limerick, Galway and Waterford, approx. 80% of towns with a population of 10,000 and over, approx. 70% of towns between 5,000 and 9,999 and a smaller proportion below this threshold. The results are weighted to represent the distribution of the population and its related consumer expenditure.
  - (iii) **Item Coverage:** All goods and services bought by the reference population for the purposes of consumption are included in the index. Expenditure on capital assets and investments, gambling and certain other activities are however excluded. Over 1,000 different varieties are priced and then aggregated into 616 item headings and 12 group headings based on the COICOP classification. With each rebase the coverage of goods and services is reviewed to ensure that it continues to be representative of consumer tastes and purchasing practices.
- Price Collection** Personal visits are made to retail outlets by some 100 part-time pricers on a monthly basis. Approximately 50,000 price quotations are gathered in this way. In addition, 114 special inquiries covering items such as utility charges and services are conducted by post and telephone. Most prices are collected monthly, some quarterly and others annually. The CSO supplies general specifications to price collectors and collectors are free initially to select a brand and in certain cases, size. This allows for a wide variety of different brands of the same item to be priced throughout the country. Once selected, the same item/brand is priced on a monthly basis in order to ensure matched price quotations. If an item disappears, substitution can occur but that price is excluded until matched prices are available for the same comparable item for two consecutive months. The CSO wishes to put on record its appreciation of the co-operation and assistance it receives from retail outlets and other business concerns.
- CPI Weights** The CPI measures in index form the monthly changes in the cost of purchasing a fixed representative 'basket' of consumer goods and services (i.e. Laspeyres formula). The representative share of each item in this basket is proportional to the average amount purchased by all households in the country as determined by the Household Budget Survey and by foreign tourists in this country using estimates of expenditure by tourists across a range of consumer goods and services. Individual items typically purchased by foreign tourists while holidaying in Ireland such as hotel accommodation and meals out have been adjusted to take account of the additional tourist expenditure. Identical items are priced in the same outlet on each occasion so that changes in the cost of this constant basket reflect only pure price changes.

## Background Notes – Consumer Price Index (continued)

- Classification** The classification used in the CPI is based on a version of COICOP – COICOP HICP, the Classification of Individual Consumption by Purpose. This replaced the former national classification which was used up to December 2001. The COICOP classification breaks consumer expenditure into twelve different categories covering a comprehensive range of consumer goods and services.
- Methodological Details** A full methodological description of the new series is available in the CPI 2006 Introduction to Series booklet which is published on the website at [http://www.cso.ie/surveysandmethodologies/documents/pdf\\_docs/introduction\\_to\\_series\\_base\\_december\\_2006.pdf](http://www.cso.ie/surveysandmethodologies/documents/pdf_docs/introduction_to_series_base_december_2006.pdf)
- Utilities and Local Charges** Includes electricity, gas, landline telecommunications and waste collection & disposal charges.
- Rebase** The index has been rebased with effect from December 2006, the tenth series since the foundation of the State. The index was last rebased in January 2002 (Base December 2001 = 100).
- The rebase of the current CPI resulted in a number of methodological changes:
- Updating the expenditure weights;
  - A revision of the sample of goods and services;
  - An update of the sample of areas priced.
- Goods and Services** The consumer basket can be split into two constituent parts - goods and services according to the following definitions.
- Goods** Goods are defined as non service items usually purchased and transportable from a retail outlet - the basket excluding services.
- Services** Services include electricity, gas, telecommunications and other public utilities, alcoholic beverages consumed on licensed premises, meals out, accommodation services, public transport, medical fees, insurances, education fees, hairdressing & other personal services, childcare & social protection, entertainment & recreation services, mortgage interest & rents, package holidays and other miscellaneous services.
- Mortgage Interest** In line with normal practice for a fixed base price index, the current approach to measuring mortgage interest in the CPI reflects the situation in the base reference period December 2006 when the standard variable rate was dominant. Subsequently, tracker mortgages have become more popular. This did not give rise to any difficulties while the standard variable and tracker mortgage interest rates moved broadly in line with one another, which would be the normal expectation. However, the decoupling that has taken place since August 2009 has resulted in dramatically different trends emerging. For example, between September 2009 and September 2010 the standard variable rate increased from 2.93% to 3.66% whereas the tracker rate did not change. The Mortgage Interest component of the CPI, which is largely determined by the trend in the standard variable rate, increased by 25.1% as a result and contributed +1.25% to the overall change in the All Items index. It is crudely estimated that the latter impact would have been reduced by between 0.2% and 0.5% had the Mortgage Interest component been calculated on a current weighting basis. Users should take this “weighting effect” into account in interpreting the mortgage interest related movements in the index.

# Background Notes – Harmonised Index of Consumer Prices

- Introduction** The EU-Harmonised Index of Consumer Prices is calculated in each Member State of the European Union. The purpose of this index is to allow the comparison of consumer price trends in the different Member States.
- Comparison with CPI** The methodology now adopted for the construction of the national CPI is identical to that recommended for the HICP. Thus the two indexes only differ in respect of the coverage of certain goods and services and the definition of insurance. The current EU reference base period (Year 2005 = 100) is however retained for ease of comparison with other EU countries.
- Excluded Items** The following items, constituting approximately 9.5% of the Irish CPI expenditure weighting, are excluded from the HICP:
- |                       |                                     |
|-----------------------|-------------------------------------|
| ◆ mortgage interest   | ◆ motor car insurance (non-service) |
| ◆ building materials  | ◆ dwelling insurance (non-service)  |
| ◆ concrete blocks     | ◆ motor car tax                     |
| ◆ union subscriptions | ◆ motor cycle tax                   |
- Weights** The expenditure weighting system used in the HICP is the same as that used for the CPI excluding the items listed above. In addition the weights of House Insurance (Buildings) and Health Insurance differ because of definition. Taking all these factors into account the HICP expenditure covers just under 90% of total CPI expenditure.
- Monetary Union Index of Consumer Prices (MUICP)** Euro area inflation is measured by the MUICP ('Monetary Union Index of Consumer Prices' as defined in Council Regulation (EC) No 2494/95 of 23 October 1995) which is the official euro area aggregate. The MUICP is calculated as a weighted average of HICPs of the 16 countries in the euro area. Country weights are computed every year reflecting the country's share of the household final monetary consumption expenditure in the euro area total.
- Classification System** The coverage of the indices is based on the international classification system, COICOP (classification of individual consumption by purpose).

## Background Notes – COICOP Classification

CPI and the HICP both use the COICOP/HICP classification (Classification of Individual Consumption by Purpose - adapted for the purposes of the EU HICP).

The COICOP classification is based on 12 main subgroups.

<b>01 Food and Non Alcoholic Beverages</b>	Food and non alcoholic beverages purchased in supermarkets, small shops, speciality shops and petrol station forecourt outlets. It excludes meals out which are covered under 11 Restaurants and Hotels.
<b>02 Alcoholic Beverages and Tobacco</b>	Includes alcoholic beverages purchased in off licences and supermarkets but excludes alcohol consumed on or within a licensed premises which is classified under 11 Restaurants and Hotels.
<b>03 Clothing and Footwear</b>	Mens, ladies and childrens clothing and footwear, sports and leisurewear and services such as laundry and dry cleaning, shoe repair, dress hire and alteration.
<b>04 Housing, Water, Electricity, Gas and Other Fuels</b>	This group covers rents, mortgage interest repayments, waste collection and disposal charges, goods and services for maintaining, decorating and repairing dwellings and domestic energy products such as electricity, gas and solid fuels.
<b>05 Furnishings, Household Equipment and Routine Household Maintenance</b>	This category covers household items such as furniture, carpets and other floor coverings, house textiles and soft furnishings, household electrical appliances, and other household items such as utensils, tools, garden equipment and non-durable items for cleaning, washing and other day to day household activity. Also included in this category are domestic services such as cleaning and other services.
<b>06 Health</b>	Health includes medical products, appliances and equipment, hospital charges and out patient services supplied by doctors, dentists, opticians and practitioners of alternative and complimentary medicine.
<b>07 Transport</b>	Includes the purchase of new and second hand vehicles, spare parts, car maintenance, fuels and lubricants, public transport and services such as parking, motor association subscriptions, car wash, toll charges, driving tests, licences and car hire.
<b>08 Communications</b>	Post and telecommunications.
<b>09 Recreation and Culture</b>	All goods and services connected with recreation and culture and includes items such as audio visual and photographic equipment, computers, music and DVDs, sports and recreation goods, games and toys, items connected with gardening and pets, recreational, sporting and cultural activities and events, newspapers and other reading material, package holidays and other items connected with recreation and culture.
<b>10 Education</b>	Covers all aspects of education including primary, secondary, third level and other education and training such as night courses, play schools and examination fees.
<b>11 Restaurants and Hotels</b>	This category covers the following areas: meals in restaurants and hotels; fast food and take-aways; cafes; canteens; alcohol consumed on or within a licensed premises and accommodation services supplied by hotels, guesthouses and hostels.
<b>12 Miscellaneous Goods and Services</b>	This remaining category covers a wide range of items including hairdressing and other grooming; goods for hygiene, hair and body care; personal goods such as jewellery, handbags and wallets; childcare and other social protection services; insurance, financial services and other services including funerals, weddings, legal and professional services.

## Background Notes – Calculation of Percentage Changes and Contributions

### Calculating percentage changes in the index

The movement of the CPI, HICP and their subindices are expressed as percentage changes, rather than changes in index points, because index point changes are affected by the level of the index in relation to its base period, whereas percentage changes are not. The example below illustrates the computation of index point and percentage changes.

Index point change	
CPI	106.7
Less previous index	103.7
Equals index point change	3.0
Percentage change	
Index point difference	3.0
Divided by the previous index	103.7
Equals	0.0289
Results multiplied by 100	0.0289 x 100
Equals percentage change	2.9

### Estimating Contributions

A contribution represents the amount of the overall percentage change in the all items index which is accounted for by any given category. It can be estimated for any category in the CPI (e.g. the twelve COICOP 2 digit groups) and for any period of time.

### Data Required:

1. Base Weight for the category for which you wish to estimate the contribution.
2. Current Index for the category in question with base December 01=100.
3. Percentage change for the category in question for the period for which you wish to estimate a contribution.
4. All Items Consumer Price Index for the previous period in question (i.e. the start period).

### Example:

To estimate the contribution of Food & Non-Alcoholic Beverages (COICOP 01) to the overall annual percentage change in the CPI up to July 2006 you would need the following data

- |   |         |
|---|---------|
| 1. Base weight for COICOP 01 (base December 2001):                          | 14.092% |
| 2. Current Index (i.e. July 2006) for COICOP 01:                            | 103.7   |
| 3. Previous Index (i.e. July 2005) for COICOP 01:                           | 102.1   |
| 4. All Items Consumer Price Index for the previous period (i.e. July 2005): | 111.3   |

### Steps in the calculation

<b>Step 1: Multiply the base weight by the current index:</b>	14.092 x 103.7
Equals (1)	1461.3404
<b>Step 2: Multiply the base weight by the previous index:</b>	14.092 x 102.1
Equals (2)	1438.7932
<b>Step 3: Subtract figure (2) from figure (1)</b>	1461.3404 - 1438.7932
Equals (3)	22.5472
<b>Step 4: Divide figure (3) by the previous All Items CPI</b>	/ 111.3
<b>Equals Contribution</b>	<b>0.20</b>

Therefore your estimated contribution of Food & Non-Alcoholic Beverages to the percentage change in the CPI for the year to July 2006 is 0.20. The actual published figure was 0.19. The difference is due to the fact that actual published contributions are calculated using data to more decimal places.

The first and second releases for the two periods involved will contain sufficient information to allow contributions to be estimated for a large number of CPI and HICP categories. It is more complicated to estimate contributions where more than one base period is involved, as the base weights will have changed (e.g. to estimate a contribution for the period January 2000 to January 2005 involves the November 1996=100 base and the December 2001=100 base). For assistance in this regard please contact the CPI section.

## Background Notes – Data Dissemination on www.cso.ie

The CSO website (www.cso.ie) now holds a range of CPI data. Within the Consumer Prices section of the website (accessed via the 'Prices' link on the homepage), a range of principle statistics are held including overall annual percentage changes from 1977 to date, All Items CPI annual figures from 1996 to date and COICOP group monthly and annual figures from 2002 to date.

Further data can be accessed at www.cso.ie by clicking on 'Database Direct' and 'CSO Main Data Dissemination Service'. The subject area is 'Economy', 'Prices', 'Consumer Prices' and 'Consumer Prices - Annual Series' or 'Consumer Prices - Monthly Series'. The website is updated each month at 11am on the CPI publication day.

The Database Direct for the CPI contains monthly and annual index numbers and percentage changes for the following categories and time periods:

<b>Category</b>	<b>Period</b>
All Items CPI	1975 to date
12 Main COICOP Subgroups	1975 to date
Special CPI Subindices (e.g. CPI Excluding Tobacco, Energy Products etc)	1975 to date
Harmonised Index of Consumer Prices (HICP)	1997 to date

In addition, the following data can also be accessed within Database Direct.

- Monthly index numbers and annual percentage changes for the Constant Tax Price Index from January 1997 to December 2006.
- National average prices for selected CPI goods and services from January 1997 to date.
- All Items CPI index numbers for various base periods from 1922 to date.
- Detailed sub-indices now available from 2003 to date.

*Any queries relating to the usage of the web dissemination database for CPI data should be directed to*

Dympna Corry at 021 453 5128 (email [dympna.corry@cso.ie](mailto:dympna.corry@cso.ie))

*or*

Noreen Dorgan at 021 453 5427 (email [noreen.dorgan@cso.ie](mailto:noreen.dorgan@cso.ie)).