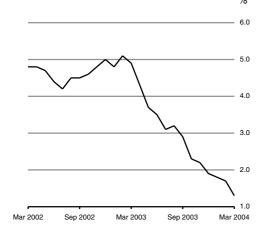


Consumer Price Index - all items Annual Percentage Change



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Consumer Price Index March 2004

CPI and HICP

	СРІ		HICP					
	% monthly change	% annual change	% monthly change	% annual change				
Nov 2003	_	+ 2.2	_	+ 3.3				
Dec 2003	+ 0.4	+ 1.9	+ 0.4	+ 2.9				
Jan 2004	- 0.5	+ 1.8	- 0.6	+ 2.3				
Feb 2004	+ 0.8	+ 1.7	+ 0.9	+ 2.2				
Mar 2004	+ 0.4	+ 1.3	+ 0.4	+ 1.8				

Annual inflation falls to 1.3% in March

Consumer Prices in March, as measured by the CPI, increased by 0.4% in the month. This compares to an increase of 0.8% in March of last year and as a result, the annual rate of inflation fell to 1.3%, down from 1.7% in February.

The EU Harmonised Index of Consumer Prices (HICP) increased by 0.4% in the month. This compares to an increase of 0.7% in March of last year and as a result the annual rate of inflation as measured by the HICP fell to 1.8%, down from 2.2% in February.

The most notable changes in the year were increases in *Health* (+6.4%), *Education* (+5.9%), *Communications* (+5.1%), *Alcoholic Beverages & Tobacco* (+4.2%) and *Restaurants & Hotels* (+3.4%), while there were decreases in *Clothing & Footwear* (-4.0%) and *Furnishings, Household Equipment & Routine Household Maintenance* (-1.6%).

In the year to March a decrease of -0.2% was recorded for Goods while the annual rate of inflation for Services was 2.8%.

The most significant monthly price changes were increases in *Clothing & Footwear* (+2.3%), *Housing, Water, Electricity, Gas & Other Fuels* (+0.8%), *Transport* (+0.6%), *Alcoholic Beverages & Tobacco* (+0.4%), *Restaurants & Hotels* (+0.4%) and *Miscellaneous Goods & Services* (+0.4%).

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

- ♦ Clothing & Footwear prices rose due to a further recovery in prices following the end of the winter sales.
- Housing, Water, Electricity, Gas & Other Fuels costs rose with increases in mortgage interest repayments, electricity costs and local authority rents. These were partially offset by a decrease in home heating oil prices.
- ◆ *Transport* rose with an increase in air fares and motor car prices. These were partially offset by lower petrol prices.
- ♦ *Alcoholic Beverages & Tobacco* increased with a rise in cigarette prices.
- Restaurants & Hotels increased due to higher accommodation costs and prices for meals out.
- ♦ Miscellaneous Goods & Services rose with increases in health insurance and house insurance costs and the increase in passport fees which came into effect in March. These increases were partially offset by falling motor insurance costs.

The CPI excluding to bacco index for March was 107.1, up 0.4% since February and up 1.0% in the year.

For more information contact Kevin McCormack at 021-4535603 or Kieran Walsh at 021-4535091.

Table 1 Consumer Price Index (All Items)

		Consumer	Price Index	Percentage changes					
Period	i	Current base Dec. 2001=100	Former base Nov. 1996=100 ¹	One month	Three months	12 months			
				%	%	%			
1998	Year		103.1			+ 2.4			
1999	Year		104.8			+ 1.6			
2000	Year		110.7			+ 5.6			
2001	Year		116.1			+ 4.9			
2002	Year	102.7	121.4			+ 4.6			
2003	Year	106.3	125.6			+ 3.5			
2001	January February March April May June July August September October November December		112.5 113.5 114.4 115.4 116.1 116.7 116.4 116.8 117.3 117.7 117.6 118.2	- 0.8 + 0.9 + 0.8 + 0.9 + 0.6 + 0.5 - 0.3 + 0.3 + 0.4 + 0.3 - 0.1 + 0.5	- 0.4 + 0.2 + 0.9 + 2.6 + 2.3 + 2.0 + 0.9 + 0.6 + 0.5 + 1.1 + 0.7 + 0.8	+ 5.2 + 5.3 + 5.4 + 5.6 + 5.4 + 5.3 + 4.8 + 4.6 + 4.3 + 3.8 + 4.2			
2002	January February March April May June July August September October November December	99.8 100.5 101.4 102.3 102.8 103.0 102.6 103.2 103.7 104.2 104.3 105.0	118.0 118.8 119.9 120.9 121.5 121.7 121.3 122.0 122.6 123.2 123.3 124.1	- 0.2 + 0.7 + 0.9 + 0.9 + 0.5 + 0.2 - 0.4 + 0.6 + 0.5 + 0.5 + 0.1 + 0.7	+ 0.3 + 1.0 + 1.4 + 2.5 + 2.3 + 1.6 + 0.3 + 0.4 + 0.7 + 1.6 + 1.1 + 1.3	+ 4.9 + 4.7 + 4.8 + 4.7 + 4.4 + 4.2 + 4.5 + 4.5 + 4.6 + 5.0			
2003	January February March April May June July August September October November December	104.6 105.6 106.4 106.7 106.6 105.8 106.5 106.7 106.6 106.6	123.6 124.8 125.8 126.1 126.0 126.0 125.1 125.9 126.1 126.0 126.0	- 0.4 + 1.0 + 0.8 + 0.3 - 0.1 	+ 0.4 + 1.2 + 1.3 + 2.0 + 0.9 + 0.2 - 0.8 - 0.1 + 0.1 + 0.8 + 0.1 + 0.3	+ 4.8 + 5.1 + 4.9 + 4.3 + 3.7 + 3.5 + 3.1 + 3.2 + 2.9 + 2.3 + 1.9			
2004	January February March	106.5 107.4 107.8	125.9 126.9 127.4	- 0.5 + 0.8 + 0.4	- 0.1 + 0.8 + 0.7	+ 1.8 + 1.7 + 1.3			

¹ Linked to current Consumer Price Index at mid-December 2001

Table 2 CPI Subindices, March 2004

	Dec. 2001	Consumer Pri	ce Index (CPI)	Perce	ntage chan	ges
COICOP Group	base expenditure weights	Current base Dec. 2001	Former base Nov. 1996	One month	Three months	12 months
CPI excluding Tobacco	95.601	107.1	125.6	+ 0.4	+ 0.7	+ 1.0
CPI excluding Housing ¹	90.253	108.4	128.7	+ 0.4	+ 0.6	+ 1.6
CPI excluding Mortgage Interest	95.370	108.3	128.9	+ 0.4	+ 0.7	+ 1.6

¹ Housing includes rents, local authority charges, mortgage interest, materials for repairs & decoration and house insurance.

Table 3 Consumer Price Commodity Group Indices, March 2004

	Dec. 2001	Consumer Pri	ce Index (CPI)	Perce	Percentage changes	
COICOP Group	base expenditure weights	Current base Dec. 2001	Former base Nov. 1996	One month	Three months	12 months
01 Food and Non Alcoholic Beverages	14.092	102.7	125.5	- 0.1	- 0.2	- 0.4
02 Alcoholic Beverages and Tobacco	7.498	117.8	151.5	+ 0.4	+ 0.7	+ 4.2
03 Clothing and Footwear	5.052	89.7	69.4	+ 2.3	- 2.4	- 4.0
04 Housing, Water, Electricity, Gas and Other Fuels	12.331	104.9	116.9	+ 0.8	+ 1.5	- 0.4
05 Furnishings, Household Equipment and Routine Household Maintenance	4.331	97.8	115.7	_	- 0.9	- 1.6
06 Health	2.518	119.4	163.5	_	+ 3.6	+ 6.4
07 Transport	13.183	108.7	120.1	+ 0.6	+ 1.3	+ 1.8
08 Communications	1.903	105.1	81.7	- 0.1	+ 2.0	+ 5.1
09 Recreation and Culture	10.810	108.5	128.8	_	+ 0.7	+ 2.1
10 Education	1.547	118.4	180.2	_	- 0.3	+ 5.9
11 Restaurants and Hotels ¹	17.760	113.7	143.3	+ 0.4	+ 1.2	+ 3.4
12 Miscellaneous Goods & Services	8.975	108.5	152.0	+ 0.4	+ 0.6	- 0.6
ALL ITEMS	100.000	107.8	127.4	+ 0.4	+ 0.7	+ 1.3
Of which:						
Goods ²	49.019	103.9	117.5	+ 0.2	- 0.2	- 0.2
Services ³	50.981	111.6	139.3	+ 0.5	+ 1.5	+ 2.8
Energy Products ⁴	6.396	111.9	123.6	+ 0.3	+ 0.6	+ 0.4
Utilities and Local Charges ⁵	3.387	116.6	103.5	+ 1.1	+ 2.2	+ 10.0
Alcohol ⁶	11.898	113.5	138.4	- 0.1	+ 0.1	+ 2.2
Tobacco	4.399	122.8	168.1	+ 0.7	+ 1.1	+ 6.7

See Background Notes page 12 for definition of COICOP groups.

Includes alcoholic beverages consumed in licensed premises.

Non service items usually purchased and transportable from a retail outlet.

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.

Electricity, gas, other domestic and transport fuels.

Electricity, gas, landline telecommunications and local authority service charges.

Constitutes part of 02 (see page 12 - off-licence sales) and part of 11 (see page 12 - alcohol consumed in licensed premises) giving a combined index for

Constitutes part of 02 (see page 12 - off-licence sales) and part of 11 (see page 12 - alcohol consumed in licensed premises) giving a combined index for

Table 4 Contributions to changes in the All Items CPI, March 2004

001000	Contril	outions to overall CPI % chan	ge
COICOP Group	One month	3 months	12 months
01 Food and Non Alcoholic Beverages	- 0.01	- 0.02	- 0.05
02 Alcoholic Beverages and Tobacco	+ 0.03	+ 0.05	+ 0.34
03 Clothing and Footwear	+ 0.10	- 0.10	- 0.18
04 Housing, Water, Electricity, Gas and Other Fuels	+ 0.10	+ 0.18	- 0.04
05 Furnishings, Household Equipment and Routine Household Maintenance	_	- 0.04	- 0.07
06 Health	_	+ 0.10	+ 0.17
07 Transport	+ 0.08	+ 0.18	+ 0.24
08 Communications	_	+ 0.04	+ 0.09
09 Recreation and Culture	_	+ 0.07	+ 0.22
10 Education	_	_	+ 0.10
11 Restaurants and Hotels	+ 0.07	+ 0.24	+ 0.62
12 Miscellaneous Goods & Services	+ 0.04	+ 0.05	- 0.06
ALL ITEMS % change	+ 0.4	+ 0.7	+ 1.3

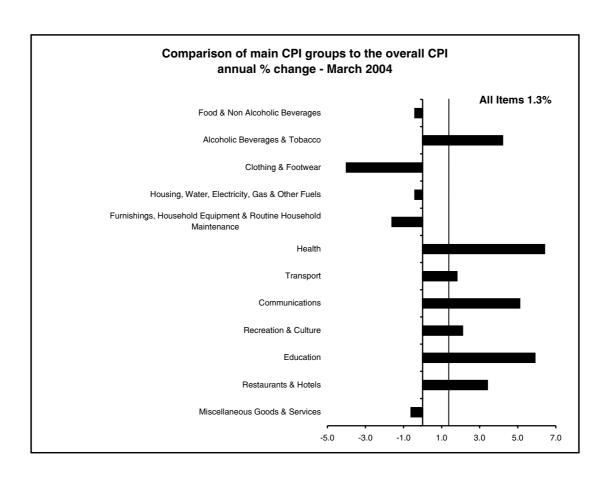


Table 5 EU Harmonised Index of Consumer Prices – Ireland

Period		HICP	Percentage changes				
		Year 1996=100	One month	12 months			
			%	%			
1997	Year	101.2		+ 1.2			
1998	Year	103.4		+ 2.2			
1999	Year	106.0		+ 2.5			
2000	Year	111.5		+ 5.2			
2001	Year	116.0		+ 4.0			
2002	Year	121.5		+ 4.7			
2003	Year	126.3		+ 4.0			
2001	January	112.4	- 1.0	+ 3.9			
	February	113.4	+ 0.9	+ 3.9			
	March	114.3	+ 0.8	+ 4.1			
	April May	115.2 115.9	+ 0.8 + 0.6	+ 4.3 + 4.1			
	June	116.7	+ 0.6 + 0.7	+ 4.1 + 4.3			
	July	116.4	- 0.3	+ 4.0			
	August	116.7	+ 0.3	+ 3.7			
	September	117.1	+ 0.3	+ 3.8			
	October	117.7	+ 0.5	+ 3.8			
	November	117.5	- 0.2	+ 3.4			
	December	118.5	+ 0.9	+ 4.4			
2002	January	118.3	- 0.2	+ 5.2			
	February	119.0	+ 0.6	+ 4.9			
	March	120.1	+ 0.9	+ 5.1			
	April	121.0	+ 0.7	+ 5.0			
	May	121.7	+ 0.6	+ 5.0			
	June	121.9	+ 0.2	+ 4.5			
	July	121.3	- 0.5	+ 4.2			
	August	122.0	+ 0.6	+ 4.5			
	September October	122.4 122.9	+ 0.3 + 0.4	+ 4.5			
	November	122.9	. 04	+ 4.4 + 4.7			
	December	123.0	+ 0.1 + 0.7	+ 4.7 + 4.6			
2003	January	123.9	_	+ 4.7			
-000	February	125.1	+ 1.0	+ 5.1			
	March	126.0	+ 0.7	+ 4.9			
	April	126.6	+ 0.5	+ 4.6			
	May	126.4	- 0.2	+ 3.9			
	June	126.5	+ 0.1	+ 3.8			
	July	126.0	- 0.4	+ 3.9			
	August	126.8	+ 0.6	+ 3.9			
	September	127.0	+ 0.2	+ 3.8			
	October	127.0	-	+ 3.3			
	November December	127.0 127.5	+ 0.4	+ 3.3 + 2.9			
2004	January	126.7	- 0.6	+ 2.3			
	February	127.8	+ 0.9	+ 2.2			
	March	128.3	+ 0.4	+ 1.8			

EU Harmonised Consumer Price COICOP Group Indices, March 2004 Ireland

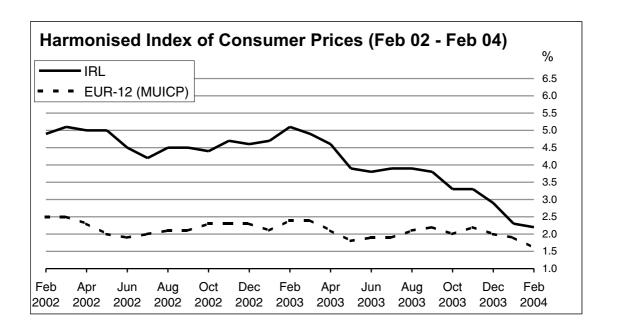
0 ""	HICP	Perce	entage Change	Percentag	e Contribution
Commodity Group COICOP	Current base Year 1996	One month	12 months	One month	12 months
		%	%	%	%
01 Food and Non Alcoholic Beverages	125.0	- 0.1	- 0.4	- 0.01	- 0.06
02 Alcoholic Beverages and Tobacco	153.0	+ 0.3	+ 4.2	+ 0.03	+ 0.37
03 Clothing and Footwear	69.8	+ 2.3	- 4.0	+ 0.11	- 0.19
04 Housing, Water, Electricity, Gas and Other Fuels	129.9	+ 0.8	+ 1.6	+ 0.06	+ 0.13
05 Furnishings, Household Equipment and Routine Household Maintenance	114.8	_	- 1.5	_	- 0.07
06 Health	160.9	-	+ 6.3	-	+ 0.19
07 Transport	122.8	+ 0.7	+ 1.7	+ 0.09	+ 0.22
08 Communications	81.3	-	+ 5.2	-	+ 0.10
09 Recreation and Culture	130.1	_	+ 2.0	-	+ 0.24
10 Education	165.1	_	+ 5.9	_	+ 0.11
11 Restaurants and Hotels	144.8	+ 0.3	+ 3.4	+ 0.08	+ 0.68
12 Miscellaneous Goods & Services	143.6	+ 0.6	+ 2.2	+ 0.03	+ 0.13
HICP	128.3	+ 0.4	+ 1.8	+ 0.4	+ 1.8

Table 7 EU Harmonised Index of Consumer Prices – annual % changes, February 2004

Country	February 2003 February 2004	January 2003 January 2004	December 2002 December 2003	November 2002 November 2003	October 2002 October 2003	September 2002 September 2003
Austria	1.5 ¹	1.2	1.3	1.3	1.1	1.4
Belgium	1.2	1.4	1.7	1.8	1.4	1.7
Finland	0.4	0.8	1.2	1.2	0.9	1.2
France	1.9 ¹	2.2	2.4	2.5	2.3	2.3
Germany	0.8	1.2 ³	1.1	1.3	1.1	1.1
Greece	2.6	3.1	3.1	3.2	3.2	3.3
Ireland	2.2	2.3	2.9	3.3	3.3	3.8
Italy	2.4	2.2	2.5	2.8	2.8	3.0
Luxembourg	2.4	2.3	2.4	2.0	1.8	2.7
Netherlands	1.3 ¹	1.5	1.6	2.0	1.9	2.0
Portugal	2.1	2.2	2.3	2.3	2.8	3.2
Spain	2.2	2.3	2.7	2.9	2.7	3.0
EMU (MUICP) ²	1.6 ¹	1.9	2.0	2.2	2.0	2.2
Denmark	0.7	1.0	1.2	1.4	1.1	1.7
Sweden	0.2	1.3	1.8	2.0	2.0	2.3
United Kingdom	1.3	1.4	1.3	1.3	1.4	1.4
EU-15 (EIČP)	1.5 ¹	1.8	1.8	2.0	1.9	2.0

Source: Eurostat

Provisional
MUICP (see Background Notes)
Revised



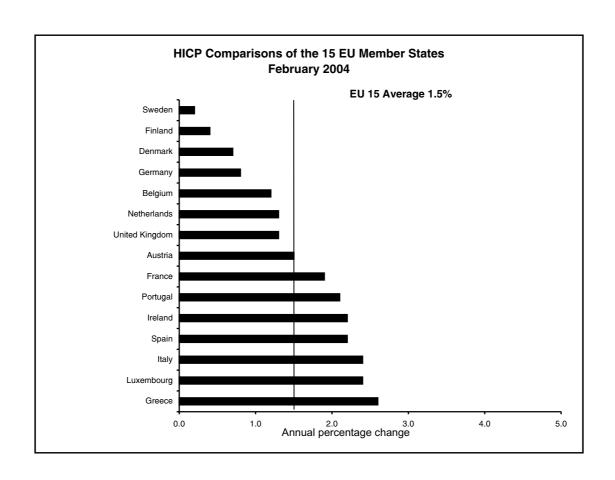


Table 8 Main Categories of Harmonised Indices of Consumer Prices – annual % changes, February 2004

COICOP/HICP Group	EUR-12 (MUICP)	EU-15 (EICP)	В	DK	D	EL	E	F	IRL	I	L	NL	А	Р	FIN	S	UK
					Annual	Percenta	age Rat	e of Cha	nge								
01 Food and Non-Alcoholic Beverages	2.0 ¹	2.01	1.6	-1.0	0.4	4.1	3.9	1.2 ¹	0.0	4.0	2.4	-1.2 ¹	2.1 ¹	1.0	0.6	0.1	2.2
02 Alcoholic Beverages and Tobacco	5.6 ¹	4.5 ¹	4.4	-6.3	0.3	6.7	1.4	16.7 ¹	4.4	7.7	5.1	0.8 ¹	2.9 ¹	3.4	0.3	1.4	1.6
03 Clothing and Footwear	0.6 ¹	-0.1 ¹	0.9	2.9	-1.4	2.5	1.2	-1.1 ¹	-4.5	3.1	1.0	-0.1 ¹	0.9 ¹	0.9	1.6	-4.7	-4.0
04 Housing, Water, Electricity Gas and Other Fuels	1.4 ¹	1.5 ¹	-0.4	0.6	0.9	0.5	2.6	1.4 ¹	3.7	1.6	0.7	3.4 ¹	1.7 ¹	2.7	1.4	1.7	2.2
05 Furnishings, Household																	
Equipment and Routine ω Household Maintenance	0.8 ¹	0.7 ¹	1.1	2.8	-0.4	1.4	1.5	1.3 ¹	-1.7	2.2	1.7	-0.5 ¹	0.41	1.7	1.0	-1.0	0.3
06 Health	7.2 ¹	6.5 ¹	1.6	2.2	16.7	5.1	0.6	3.6 ¹	6.8	2.9	3.0	9.1 ¹	0.2 ¹	1.5	2.2	3.5	2.0
07 Transport	0.4 ¹	0.8 ¹	0.3	0.7	-0.4	-0.2	-0.1	0.7 ¹	1.9	1.6	2.8	1.1 ¹	0.5	1.5	-2.9	-0.5	3.0
08 Communications	-1.0 ¹	-0.9 ¹	1.4	-3.3	0.3	-5.5	-1.8	1.3 ¹	5.0	-4.8	-1.7	2.0 ¹	-1.1 ¹	-0.1	-6.4	-3.9	0.2
09 Recreation and Culture	-0.2 ¹	-0.9 ¹	1.0	1.5	-1.4	3.2	0.0	-0.5 ¹	1.8	1.7	1.4	-1.0 ¹	1.1	2.0	1.6	-1.3	-2.8
10 Education	3.5 ¹	3.9 ¹	0.5	3.7	3.7	4.4	4.0	3.1 ¹	5.9	1.8	1.3	3.2 ¹	1.8 ¹	11.0	5.6	7.6	4.7
11 Restaurants and Hotels	2.8 ¹	2.8 ¹	2.5	2.1	0.7	4.7	4.2	2.9 ¹	4.0	3.1	2.8	1.4 ¹	2.9 ¹	4.1	2.1	2.2	2.9
12 Miscellaneous Goods &																	
Services	2.3 ¹	2.7 ¹	2.4	2.7	1.8	1.8	2.9	2.6 ¹	2.1	2.2	2.6	2.9 ¹	2.2 ¹	2.3	2.4	2.7	4.3
HICP	1.6 ¹	1.5 ¹	1.2	0.7	8.0	2.6	2.2	1.9 ¹	2.2	2.4	2.4	1.3 ¹	1.5 ¹	2.1	0.4	0.2	1.3

¹ Provisional Source: Eurostat

Central Statistics Office Consumer Prices

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.

Index (CPI)

Consumer Price Over 55,000 prices are collected for a representative basket consisting of 613 headings which cover over 1,000 different items in a fixed panel of retail and service outlets throughout the country on the second Tuesday of each month. The date to which the March index relates is Tuesday, 9th March 2004.

Scope of the Index

- (i) Population Coverage: All private households covering approximately 97% of the total population 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 86 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, 90% of towns with a population of 10,000 and over, 88% 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 613 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 200 part-time pricers on a monthly basis. Approximately 51,000 price quotations are gathered in this way. In addition 112 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.

Central Statistics Office Consumer Prices

Background Notes – Consumer Price Index (continued)

Rebase The index has been rebased with effect from December 2001, the ninth series since the foundation of the State. The index was last rebased in January 1997 (Base Nov 96 = 100) when the monthly CPI series was first introduced.

The rebase of the current CPI resulted in a number of methological changes:

- The introduction of the Geometric Mean;
- Updating the expenditure weights;
- A revision of the sample of goods and services;
- An update of the sample of areas priced; and
- A move to the COICOP classification.

Classification The classification used in the CPI is based on a version of COICOP – COICOP HICP, the Classification of Individual Consumption Expenditure by Purpose. This replaces 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 2001 Introduction to Series booklet.

Goods and The consumer basket can be split into two constituent parts - goods and services according to the **Services** following definitions.

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.

Local Charges

Utilities and Includes electricity, gas, landline telecommunications and local authority service charges.

Central Statistics Office Consumer Prices

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

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 1996 = 100) is however retained for ease of comparison with other EU countries.

Excluded Items The following items, constituting approximately 9% of the Irish CPI expenditure weighting, are excluded from the HICP:

- mortgage interest
- building materials
- union subscriptions
- motor car tax

- motor car insurance (non-service)
- dwelling insurance (non-service)
- 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 91% of total CPI expenditure.

Monetary Union Index of **Consumer Prices** (MUICP)

The MUICP is calculated as a weighted average of HICPs of the 12 countries participating in Stage III of Economic and Monetary Union (EMU). Country weights are computed every year reflecting the country's share of private final domestic consumption expenditure in the EMU total.

Classification

The coverage of the indices is based on the international classification system, COICOP (classification of individual consumption by purpose).

percentage changes in the index

Calculating 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	ge
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

Central Statistics Office Consumer Prices

Background Notes - COICOP Classification

Prior to the introduction of the current series in January 2002 the CPI used a national classification while the HICP used COICOP/HICP. To ensure greater comparability CPI and the HICP now 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.

01 Food and Non Alcoholic Beverages 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.

02 Alcoholic Beverages and Tobacco 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.

03 Clothing and Footwear

Mens, ladies and childrens clothing and footwear, sports and leisurewear and services such as laundry and dry cleaning, shoe repair, dress hire and alteration.

04 Housing, Water, Electricity, Gas and Other Fuels This group covers rents, mortgage interest repayments, local authority service charges, goods and services for maintaining, decorating and repairing dwellings and domestic energy products such as electricity, gas and solid fuels.

05 Furnishings, Household Equipment and Routine Household Maintenance 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.

06 Health

Health includes medical products, appliances and equipment, hospital charges and out patient services supplied by doctors, dentists, opticians, practitioners of alternative and complimentary medicine and paramedical services.

07 Transport

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.

08 Communications

Post and telecommunications.

09 Recreation and Culture

All goods and services connected with recreation and culture and includes items such as audio visual and photographic equipment, computers, music and videos, 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.

10 Education

Covers all aspects of education including primary, secondary, third level and other education and training such as night courses, play schools and examination fees.

11 Restaurants and Hotels

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.

12 Miscellaneous Goods and Services 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.