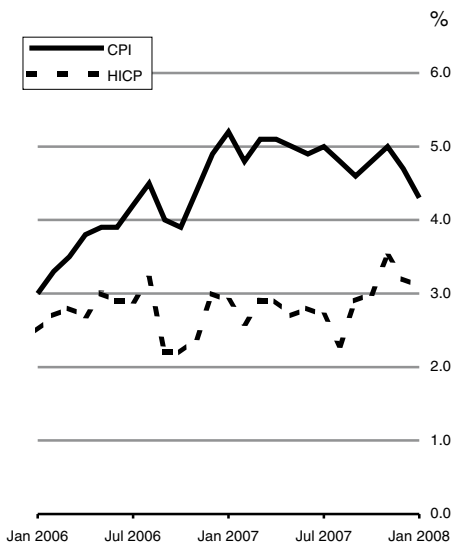




## Consumer Price Index January 2008

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



### CPI and HICP

	CPI		HICP	
	% monthly change	% annual change	% monthly change	% annual change
Sep 2007	+ 0.3	+ 4.6	+ 0.3	+ 2.9
Oct 2007	+ 0.1	+ 4.8	+ 0.1	+ 3.0
Nov 2007	+ 0.6	+ 5.0	+ 0.5	+ 3.5
Dec 2007	+ 0.1	+ 4.7	+ 0.1	+ 3.2
Jan 2008	- 0.5	+ 4.3	- 0.7	+ 3.1

### Annual Inflation falls to 4.3% in January

Consumer Prices in January, as measured by the CPI, decreased by 0.5% in the month. This compares to a decrease of 0.1% in January of last year. As a result the annual rate of inflation fell to 4.3%, down from 4.7% in December 2007.

The EU Harmonised Index of Consumer Prices (HICP) fell by 0.7% in the month, compared to a decrease of 0.6% in January 2007. The annual rate of inflation, as measured by the HICP, decreased from 3.2% in December to 3.1% in January.

The most notable changes in the year were increases in *Housing, Water, Electricity, Gas & Other Fuels* (+11.6%), *Food & Non-Alcoholic Beverages* (+6.7%), *Education* (+6.0%) and *Health* (+5.2%). There were decreases in *Clothing & Footwear* (-4.7%) and *Furnishings, Household Equipment & Routine Household Maintenance* (-2.6%).

The annual rate of inflation for Services was 5.1% in January, while Goods increased by 3.3% in the year.

The most significant monthly price changes were decreases in *Clothing & Footwear* (-12.9%) and *Furnishings, Household Equipment & Routine Household Maintenance* (-2.9%). There were increases in *Health* (+2.9%), *Alcoholic Beverages & Tobacco* (+0.8%), *Housing, Water, Electricity, Gas & Other Fuels* (+0.4%) and *Food & Non-Alcoholic Beverages* (+0.4%).

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

- ◆ *Clothing & Footwear* and *Furnishings, Household Equipment & Routine Household Maintenance* fell due to the traditional winter sales.
- ◆ *Health* rose due to an increase in hospital charges.
- ◆ *Alcoholic Beverages & Tobacco* rose due to price increases for spirits, cigarettes and wine.
- ◆ *Housing, Water, Electricity, Gas & Other Fuels* rose due to increases in average mortgage interest repayments and the cost of fuel oil.
- ◆ *Food & Non-Alcoholic Beverages* rose due to price increases across a wide range of products including lamb and beef.

The CPI excluding tobacco index for January decreased by 0.6% in the month and was up 4.3% in the year. The CPI excluding energy products index was down 0.7% since December and increased by 3.9% in the year. The CPI excluding mortgage interest decreased by 0.7% in the month and rose by 3.0% in the year.

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**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>2002</b>	Year				+ 4.6	
<b>2003</b>	Year				+ 3.5	
<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>2005</b>	January	92.3	108.9	- 0.8	- 0.5	+ 2.3
	February	93.0	109.8	+ 0.8	+ 0.1	+ 2.2
	March	93.2	110.1	+ 0.3	+ 0.3	+ 2.1
	April	93.7	110.6	+ 0.5	+ 1.6	+ 2.2
	May	94.0	111.0	+ 0.4	+ 1.1	+ 2.4
	June	94.3	111.3	+ 0.3	+ 1.1	+ 2.1
	July	94.2	111.3	-	+ 0.6	+ 2.4
	August	94.7	111.8	+ 0.4	+ 0.7	+ 2.3
	September	95.5	112.7	+ 0.8	+ 1.3	+ 3.0
	October	95.5	112.8	+ 0.1	+ 1.3	+ 3.0
	November	95.4	112.6	- 0.2	+ 0.7	+ 2.6
	December	95.3	112.5	- 0.1	- 0.2	+ 2.5
<b>2006</b>	January	95.0	112.2	- 0.3	- 0.5	+ 3.0
	February	96.1	113.4	+ 1.1	+ 0.7	+ 3.3
	March	96.5	113.9	+ 0.4	+ 1.2	+ 3.5
	April	97.2	114.8	+ 0.8	+ 2.3	+ 3.8
	May	97.7	115.3	+ 0.4	+ 1.7	+ 3.9
	June	98.0	115.6	+ 0.3	+ 1.5	+ 3.9
	July	98.2	116.0	+ 0.3	+ 1.0	+ 4.2
	August	98.9	116.8	+ 0.7	+ 1.3	+ 4.5
	September	99.3	117.2	+ 0.3	+ 1.4	+ 4.0
	October	99.2	117.2	-	+ 1.0	+ 3.9
	November	99.6	117.6	+ 0.3	+ 0.7	+ 4.4
	December	100.0	118.0	+ 0.3	+ 0.7	+ 4.9
<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

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

**Table 2 CPI Subindices, January 2008**

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	104.1	122.0	- 0.6	-	+ 4.3
CPI excluding Housing <sup>1</sup>	87.267	102.1	117.5	- 0.7	- 0.2	+ 2.7
CPI excluding Mortgage Interest	93.339	102.4	117.9	- 0.7	- 0.1	+ 3.0
CPI excluding Energy Products <sup>2</sup>	92.235	103.6	120.6	- 0.7	- 0.2	+ 3.9

<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, January 2008**

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	106.7	110.7	+ 0.4	+ 2.3	+ 6.7
02 Alcoholic Beverages and Tobacco	6.048	104.3	129.9	+ 0.8	+ 2.8	+ 3.3
03 Clothing and Footwear	5.416	81.7	69.9	- 12.9	- 14.4	- 4.7
04 Housing, Water, Electricity, Gas and Other Fuels	16.509	115.6	174.5	+ 0.4	+ 1.9	+ 11.6
05 Furnishings, Household Equipment and Routine Household Maintenance	4.422	94.9	89.7	- 2.9	- 2.8	- 2.6
06 Health	3.154	106.0	142.6	+ 2.9	+ 3.2	+ 5.2
07 Transport	13.293	104.8	122.2	- 0.3	+ 1.1	+ 4.2
08 Communications	3.418	101.1	105.5	-	- 0.1	+ 1.2
09 Recreation and Culture	10.104	101.3	111.9	+ 0.2	+ 0.4	+ 1.3
10 Education	2.043	106.1	146.1	+ 0.1	+ 1.4	+ 6.0
11 Restaurants and Hotels <sup>1</sup>	15.425	103.3	129.7	- 0.2	- 0.9	+ 3.2
12 Miscellaneous Goods and Services	8.426	101.4	112.3	- 0.2	- 0.2	+ 1.7
<b>ALL ITEMS</b>	<b>100.000</b>	<b>104.2</b>	<b>123.0</b>	<b>- 0.5</b>	<b>+ 0.2</b>	<b>+ 4.3</b>
<b>Of which:</b>						
Goods <sup>2</sup>	47.080	101.3	108.1	- 1.4	- 0.2	+ 3.3
Services <sup>3</sup>	52.920	106.7	137.6	+ 0.2	+ 0.4	+ 5.1
Energy Products	7.765	110.6	157.1	+ 1.0	+ 3.6	+ 8.3
Utilities and Local Charges <sup>4</sup>	3.895	100.9	144.8	+ 0.1	- 2.2	- 4.4
Alcohol <sup>5</sup>	9.979	103.3	122.6	+ 0.4	+ 0.2	+ 2.8
Tobacco	3.176	106.3	145.8	+ 0.3	+ 5.0	+ 5.7
Mortgage Interest	6.661	128.6	230.0	+ 0.6	+ 2.3	+ 21.1

<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.

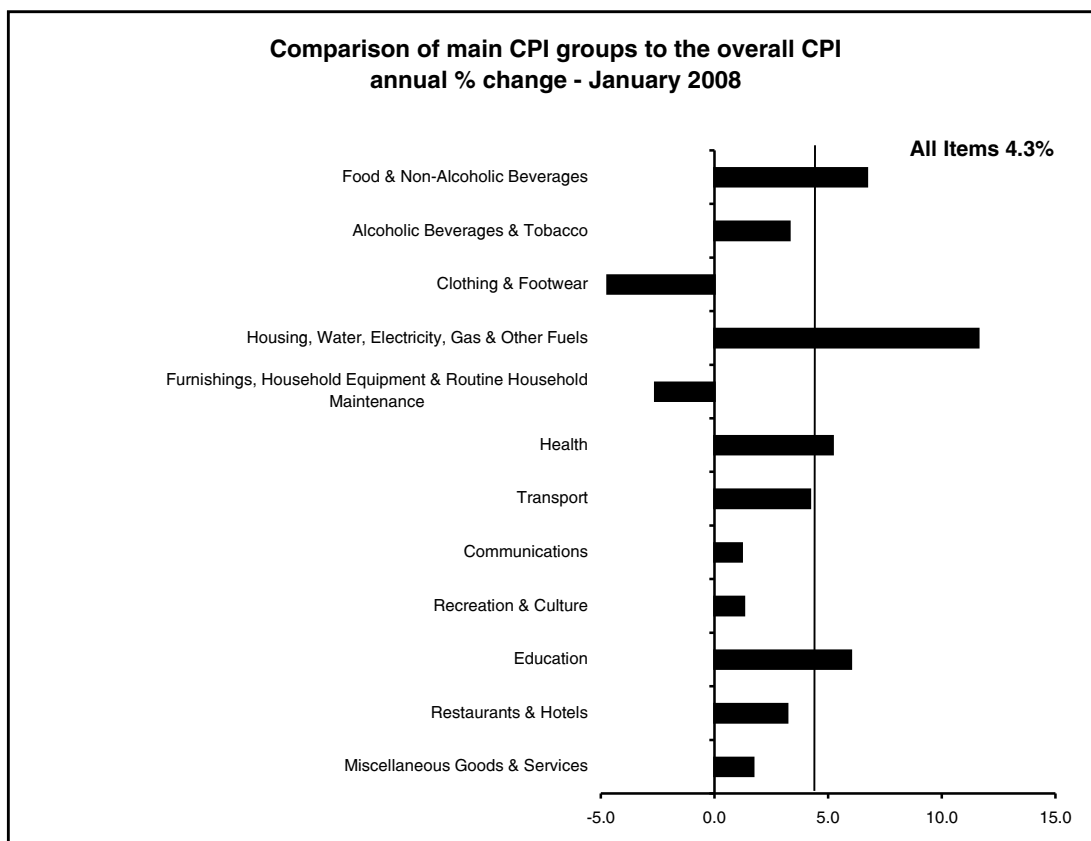
<sup>4</sup> Electricity, gas, landline telecommunications and waste collection & disposal charges.

<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.

See Background Notes page 12 for definition of COICOP groups.

**Table 4 Contributions to changes in the All Items CPI, January 2008**

COICOP Group	Contributions to overall CPI % change		
	One month	3 months	12 months
01 Food and Non-Alcoholic Beverages	+ 0.04	+ 0.27	+ 0.78
02 Alcoholic Beverages and Tobacco	+ 0.05	+ 0.16	+ 0.20
03 Clothing and Footwear	- 0.59	- 0.71	- 0.22
04 Housing, Water, Electricity, Gas and Other Fuels	+ 0.08	+ 0.34	+ 1.99
05 Furnishings, Household Equipment and Routine Household Maintenance	- 0.11	- 0.11	- 0.11
06 Health	+ 0.08	+ 0.10	+ 0.16
07 Transport	- 0.03	+ 0.15	+ 0.56
08 Communications	-	-	+ 0.04
09 Recreation and Culture	+ 0.02	+ 0.04	+ 0.14
10 Education	-	+ 0.03	+ 0.12
11 Restaurants and Hotels	- 0.02	- 0.13	+ 0.49
12 Miscellaneous Goods and Services	- 0.02	- 0.02	+ 0.14
<b>ALL ITEMS % change</b>	<b>- 0.5</b>	<b>+ 0.2</b>	<b>+ 4.3</b>
Goods	- 0.59	- 0.07	+ 1.52
Services	+ 0.09	+ 0.19	+ 2.78
Energy Products	+ 0.08	+ 0.29	+ 0.66
Tobacco	+ 0.01	+ 0.16	+ 0.18
Mortgage Interest	+ 0.05	+ 0.19	+ 1.49



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

Period	HICP		Percentage changes	
	Year 2005=100	One month	12 months	
		%	%	
<b>2000</b>	Year			+ 5.2
<b>2001</b>	Year			+ 4.0
<b>2002</b>	Year			+ 4.7
<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>2005</b>	January	97.9	- 1.0	+ 2.1
	February	98.8	+ 0.9	+ 2.0
	March	99.0	+ 0.2	+ 1.9
	April	99.6	+ 0.6	+ 2.2
	May	99.8	+ 0.2	+ 2.2
	June	100.1	+ 0.3	+ 1.9
	July	100.0	- 0.1	+ 2.2
	August	100.5	+ 0.5	+ 2.1
	September	101.2	+ 0.8	+ 2.8
	October	101.2	-	+ 2.7
	November	101.0	- 0.2	+ 2.2
	December	100.8	- 0.2	+ 1.9
<b>2006</b>	January	100.3	- 0.5	+ 2.5
	February	101.5	+ 1.2	+ 2.7
	March	101.8	+ 0.3	+ 2.8
	April	102.3	+ 0.5	+ 2.7
	May	102.8	+ 0.5	+ 3.0
	June	103.0	+ 0.2	+ 2.9
	July	102.9	- 0.1	+ 2.9
	August	103.7	+ 0.8	+ 3.2
	September	103.4	- 0.3	+ 2.2
	October	103.4	-	+ 2.2
	November	103.4	-	+ 2.4
	December	103.8	+ 0.4	+ 3.0
<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

**Table 6 EU Harmonised Consumer Price COICOP Group Indices, January 2008**  
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	108.4	+ 0.4	+ 6.7	+ 0.05	+ 0.88
02 Alcoholic Beverages and Tobacco	109.4	+ 0.8	+ 3.2	+ 0.06	+ 0.22
03 Clothing and Footwear	82.4	- 12.9	- 4.7	- 0.77	- 0.25
04 Housing, Water, Electricity, Gas and Other Fuels	118.6	+ 0.4	+ 5.0	+ 0.04	+ 0.51
05 Furnishings, Household Equipment and Routine Household Maintenance	93.8	- 2.8	- 2.6	- 0.14	- 0.12
06 Health	111.7	+ 2.9	+ 5.2	+ 0.11	+ 0.18
07 Transport	107.1	- 0.3	+ 4.5	- 0.04	+ 0.63
08 Communications	100.6	- 0.1	+ 1.2	-	+ 0.05
09 Recreation and Culture	103.5	+ 0.3	+ 1.4	+ 0.03	+ 0.15
10 Education	114.8	-	+ 6.0	-	+ 0.14
11 Restaurants and Hotels	108.6	- 0.1	+ 3.2	- 0.03	+ 0.55
12 Miscellaneous Goods and Services	106.6	- 0.2	+ 2.3	- 0.01	+ 0.16
<b>HICP</b>	<b>106.4</b>	<b>- 0.7</b>	<b>+ 3.1</b>	<b>- 0.7</b>	<b>+ 3.1</b>
Goods	102.8	- 1.4	+ 3.2	- 0.77	+ 1.66
Services	110.1	+ 0.2	+ 3.0	+ 0.07	+ 1.44

**Table 7 EU Harmonised Index of Consumer Prices - annual % changes, December 2007**

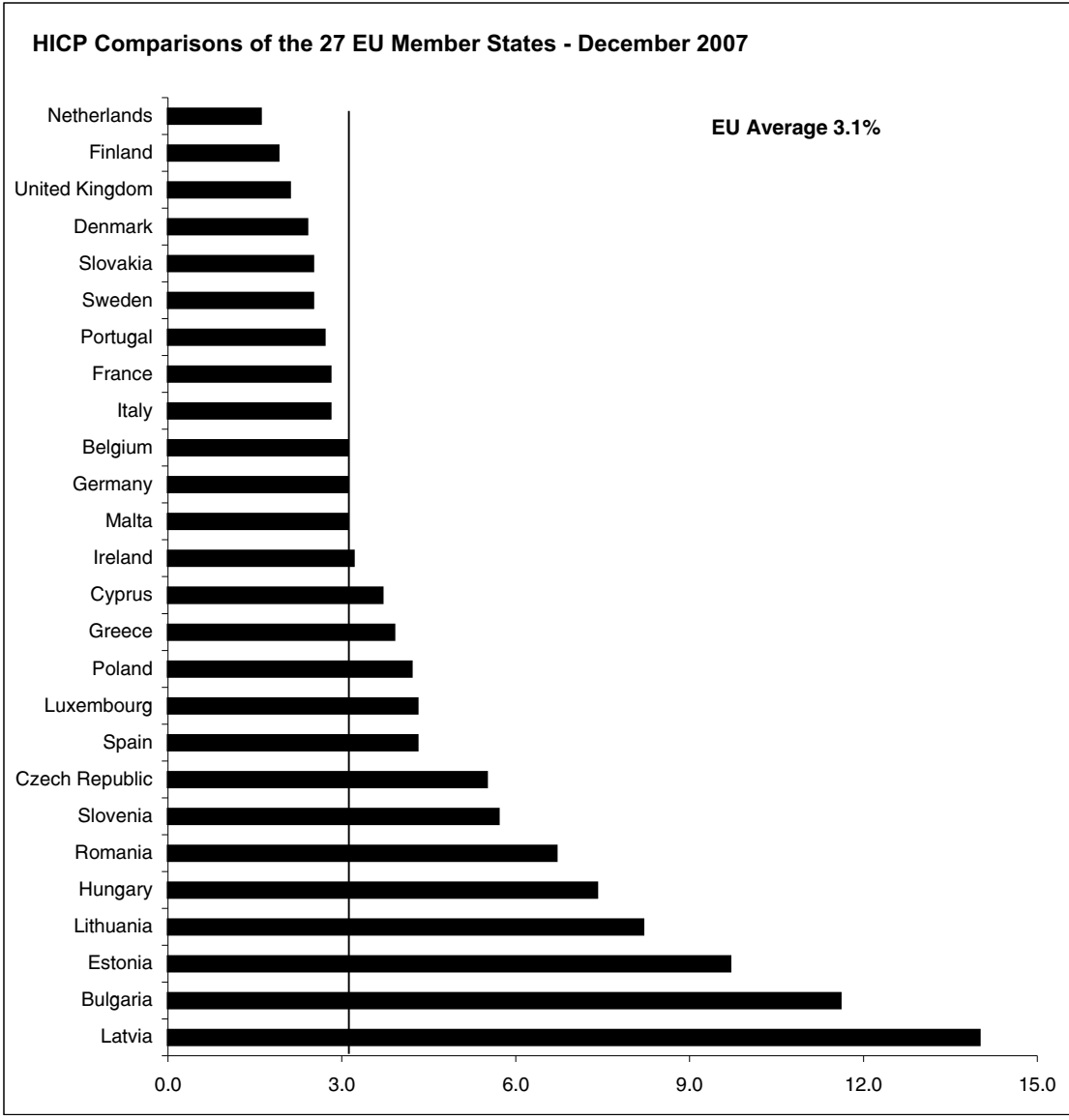
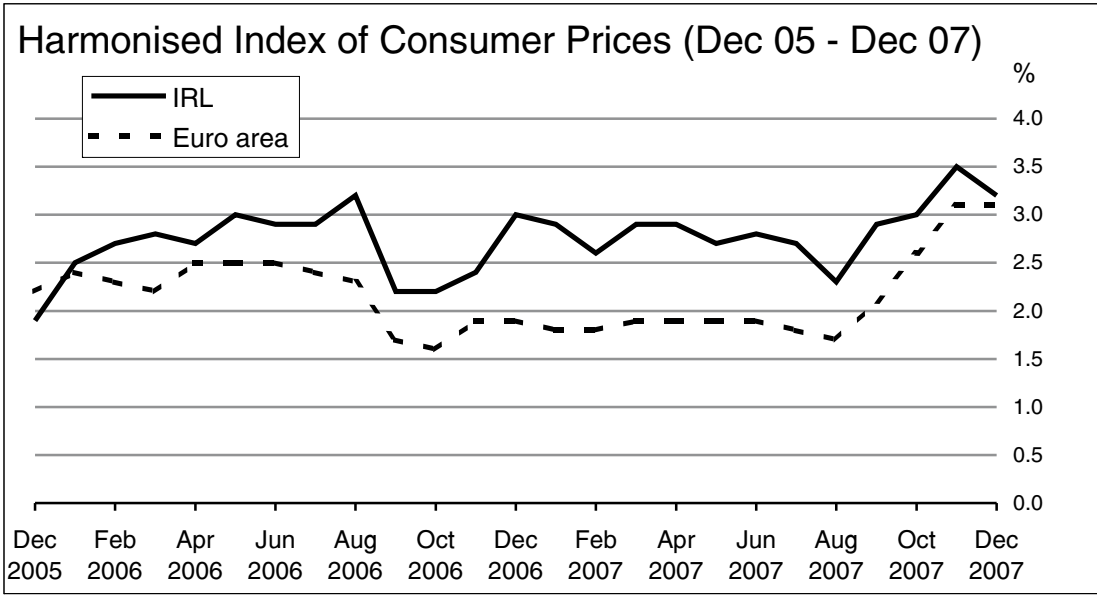
Country	December 2006 December 2007	November 2006 November 2007	October 2006 October 2007	September 2006 September 2007	August 2006 August 2007
Austria	NA	NA	2.9	2.1	1.7
Belgium	3.1	2.9	2.2	1.4	1.2
Cyprus	3.7	3.2	2.7	2.3	2.2
Finland	1.9	2.2 <sup>3</sup>	1.8	1.7	1.3
France	2.8	2.6	2.1	1.6	1.3
Germany	3.1	3.3	2.7	2.7	2.0
Greece	3.9	3.9	3.0	2.9	2.7
<b>Ireland</b>	<b>3.2</b>	<b>3.5</b>	<b>3.0</b>	<b>2.9</b>	<b>2.3</b>
Italy	2.8	2.6	2.3	1.7	1.7
Luxembourg	4.3	4.0	3.6	2.5	1.9
Malta	3.1	2.9	1.6	0.9	0.6
Netherlands	1.6 <sup>1</sup>	1.8	1.6	1.3	1.1
Portugal	2.7	2.8	2.5	2.0	1.9
Slovenia	5.7	5.7	5.1	3.6	3.4
Spain	4.3	4.1	3.6	2.7	2.2
<b>Euro Area (MUICP)<sup>2</sup></b>	<b>3.1<sup>1</sup></b>	<b>3.1</b>	<b>2.6</b>	<b>2.1</b>	<b>1.7</b>
Bulgaria	11.6	11.4	10.6	11.0	9.3
Czech Republic	5.5	5.1	4.0	2.8	2.6
Denmark	2.4	2.5	1.8	1.2	0.9
Estonia	9.7	9.3	8.7	7.5	6.1
Hungary	7.4	7.2	6.9	6.4	7.1
Latvia	14.0	13.7	13.2	11.5	10.2
Lithuania	8.2	7.9	7.6	7.1	5.6
Poland	4.2	3.7	3.1	2.7	2.1
Romania	6.7	6.8	6.9	6.1	5.0
Slovakia	2.5	2.3	2.4	1.7	1.2
Sweden	2.5	2.4	1.9	1.6	1.2
United Kingdom	2.1	2.1	2.1	1.8	1.8
<b>EU</b>	<b>3.2<sup>1</sup></b>	<b>3.1</b>	<b>2.7</b>	<b>2.2</b>	<b>1.9</b>

<sup>1</sup> Provisional

Source: Eurostat

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

<sup>3</sup> Revised



**Table 8 Main Categories of Harmonised Indices of Consumer Prices - annual % changes, December 2007**

	00	01	02	03	04	05	06	07	08	09	10	11	12
<b>Annual percentage rate of change</b>													
<b>Euro area</b>	3.1 <sup>1</sup>	4.8 <sup>1</sup>	2.5 <sup>1</sup>	1.0 <sup>1</sup>	3.6 <sup>1</sup>	1.9 <sup>1</sup>	1.3 <sup>1</sup>	5.6 <sup>1</sup>	-2.3 <sup>1</sup>	0.1 <sup>1</sup>	9.4 <sup>1</sup>	3.4 <sup>1</sup>	2.3 <sup>1</sup>
<b>EU</b>	3.2 <sup>1</sup>	5.7 <sup>1</sup>	3.5 <sup>1</sup>	0.0 <sup>1</sup>	3.4 <sup>1</sup>	1.7 <sup>1</sup>	2.0 <sup>1</sup>	5.8 <sup>1</sup>	-2.2 <sup>1</sup>	-0.2 <sup>1</sup>	9.7 <sup>1</sup>	3.6 <sup>1</sup>	2.2 <sup>1</sup>
<b>BE</b>	3.1	5.7	5.2	0.6	3.9	2.7	-0.5	4.5	-5.1	1.1	2.0	3.1	3.4
<b>BG</b>	11.6	21.1	-2.0	9.9	7.4	4.2	4.5	14.2	-0.4	1.9	10.1	18.2	9.2
<b>CZ</b>	5.5	11.2	16.4	0.0	6.0	0.1	2.5	4.8	-3.1	0.4	2.0	3.7	2.1
<b>DK</b>	2.4	6.8	2.2	-2.8	2.7	1.5	-0.3	3.3	0.4	2.2	4.7	2.9	0.0
<b>DE</b>	3.1	5.7	0.8	0.5	3.1	1.4	1.3	5.7	0.7	0.8	28.9	2.8	2.2
<b>EE</b>	9.7	16.1	4.6	5.7	14.8	3.8	10.0	9.3	-0.4	5.0	6.2	11.7	7.8
<b>IE</b>	3.2	6.3	3.4	-6.2	6.6	-2.3	3.0	5.4	1.2	1.1	6.0	3.4	2.1
<b>EL</b>	3.9	4.3	0.6	3.1	10.0	2.3	2.7	4.9	-3.3	1.3	4.6	4.5	2.8
<b>ES</b>	4.3	6.6	6.1	1.2	4.8	2.5	-2.1	7.3	0.8	-0.8	4.1	4.9	3.1
<b>FR</b>	2.8	3.2	4.0	0.7	4.3	1.2	1.5	6.2	-2.0	-1.4	3.2	2.8	1.9
<b>IT</b>	2.8	4.2	2.4	1.4	3.0	2.9	2.4	4.9	-7.5	1.3	2.5	2.6	2.7
<b>CY</b>	3.7	3.5	0.2	-0.5	7.6	0.4	5.2	8.0	1.5	1.9	4.7	3.8	2.2
<b>LV</b>	14.0	19.9	20.9	0.8	21.0	4.2	9.5	15.0	-6.3	5.8	18.7	18.2	13.0
<b>LT</b>	8.2	15.3	6.6	-5.7	14.1	2.9	9.1	9.7	-7.3	-0.1	9.4	10.9	5.5
<b>LU</b>	4.3	5.2	5.2	0.7	6.4	2.3	0.1	7.0	-1.7	0.3	1.7	3.7	3.2
<b>HU</b>	7.4	13.0	5.4	0.3	10.7	0.4	21.1	8.0	-1.9	2.6	5.5	6.1	3.8
<b>MT</b>	3.1	7.7	1.1	7.6	0.7	0.7	2.9	2.4	-0.1	-1.1	6.0	3.7	1.2
<b>NL</b>	1.6 <sup>1</sup>	3.4 <sup>1</sup>	1.9 <sup>1</sup>	-1.5 <sup>1</sup>	1.9 <sup>1</sup>	1.9 <sup>1</sup>	0.8 <sup>1</sup>	4.4 <sup>1</sup>	-3.8 <sup>1</sup>	-1.5 <sup>1</sup>	0.9 <sup>1</sup>	3.9 <sup>1</sup>	1.8 <sup>1</sup>
<b>AT</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>PL</b>	4.2	7.9	5.3	-6.9	4.9	1.9	3.0	9.6	-1.4	-1.8	2.4	4.4	1.8
<b>PT</b>	2.7	1.7	6.3	3.2	3.6	1.2	4.8	3.7	-1.6	0.6	4.4	2.9	1.9
<b>RO</b>	6.7	9.4	10.5	3.2	6.5	2.0	-3.6	7.8	3.2	1.6	3.5	4.3	4.5
<b>SI</b>	5.7	12.0	7.0	1.8	9.0	4.1	0.6	1.9	1.6	3.9	3.3	8.7	4.4
<b>SK</b>	2.5	7.2	1.6	1.0	0.6	-0.3	-0.2	2.2	2.9	0.5	3.5	3.8	3.3
<b>FI</b>	1.9	2.2	1.8	1.5	3.5	1.2	-0.3	2.1	4.2	-0.3	4.0	2.9	1.7
<b>SE</b>	2.5	4.8	7.7	2.2	0.4	0.4	3.5	4.8	-1.7	-0.4	2.7	3.2	3.3
<b>UK</b>	2.1	5.4	2.7	-3.9	0.2	0.9	3.3	5.8	-3.8	-1.3	13.2	3.4	1.9

<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 on the second Tuesday of each month. The date to which the January index relates is Tuesday, 8th January, 2008.
- 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 200 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 Expenditure 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; and
- A reorganisation of the sample of locations on a regional basis.

**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.

## 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
  - ◆ building materials
  - ◆ concrete blocks
  - ◆ union subscriptions
  - ◆ motor car insurance (non-service)
  - ◆ dwelling insurance (non-service)
  - ◆ motor car tax
  - ◆ 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)** The MUICP is calculated as a weighted average of HICPs of the 13 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 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, practitioners of alternative and complimentary medicine and paramedical services.
<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 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.
<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](http://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 1970 to date and All Items CPI index numbers from 1996 to date.

Further data can be accessed at [www.cso.ie](http://www.cso.ie) by clicking on 'Database Direct' and 'CSO Main Dissemination Service'. The subject area is 'Economy' and 'Prices'. 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 1997 to date.
- National average prices for selected CPI goods and services from December 2001 to date.
- All Items CPI index numbers for various base periods from 1922 to date

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

Andrew Murray at 021-4535122 (email [andrew.murray@cso.ie](mailto:andrew.murray@cso.ie))

*or*

Noreen Dorgan at 021-4535427 (email [noreen.dorgan@cso.ie](mailto:noreen.dorgan@cso.ie)).