

13 August 2020

Consumer Price Index (CPI). Base 2016
Harmonised Index of Consumer Prices (HICP). Base 2015
July 2020

- The state of alarm came to an end on June 22 and most commercial establishments returned to their activities. Face-to-face price collection was thus resumed in July, with collection by telematic means when, for health security reasons, it was not possible or convenient to do it in person.
- In July, the entire basket of CPI products was available for purchase by households. As such, the price estimation methods that were designed to be applied during the months of April, May and June have been discontinued, and the usual methods have been reverted to.
- The indices of the special groups of *COVID-19 Goods and Services*, which show the evolution of the products most consumed by households during the pandemic, were published in the month of July to allow the situation to be analysed following the end of the state of alarm.

Main results

- The annual variation rate of the July CPI stood at -0.6% , three tenths below that registered in June.
- The annual rate of core inflation decreased four tenths, to 0.6% .
- The monthly variation of the overall index is -0.9% .
- The annual rate of the Harmonised Index of Consumer Prices (HICP) stood at 0.7% , four tenths higher than the month of June.

COVID-19 Special Groups

- The prices of the products in the *COVID-19 Special Goods Group* registered an annual rate of 1.8% in July, five tenths less than the previous month. The annual variation of *COVID-19 Services* likewise decreased five tenths, down to -2.9% .
- Among these goods and services, particularly notable was the behaviour of the prices of *food and non-alcoholic beverages*, whose annual rate went from 2.8% in June to 2.2% in July, and of *telephone and fax*, which registered an annual variation of -0.6% , more than six points below that of the previous month.

Annual evolution of consumer prices

The annual rate of the overall Consumer Price Index (CPI) July was -0.6%, three tenths below that registered in the previous month.

The groups which most influenced this decrease in the annual rate were:

- **Hotels, cafes and restaurants**, whose variation decreased by one and a half points, to 0.3%, due to the fact that the prices of *accommodation services* fell this month, whereas they rose the previous year.
- **Food and non-alcoholic beverages**, whose rate decreased by six tenths, standing at 2.2%. This behaviour is a consequence of the decreases in the prices of *fruits and vegetables*, which was higher this year than in 2019.
- **Communications**, with a variation of -1.2%, almost two points below that of June, caused by a decrease in the prices of *telephone and fax services*, compared to the increase registered in July of last year.
- **Leisure and culture**, which showed a rate of -1.1%, eight tenths lower than the previous month, due to the fact that the prices of *tourist packages* increased more this month than in 2019.

Though to a lesser extent, the decrease in *cultural services*, which increased last year, was also influential.

On the other hand, the sector with the greatest positive impact was:

- **Transport**, with a variation of -4.5%, seven tenths above that of June, due to the fact that the price of *fuel and lubricants for personal transportation* increased this month, whilst they decreased in June of 2019.

Also worth noting in this group, although in the opposite direction, was the fall in the prices of *passenger air transport*, compared to the stability registered last year.

Contribution of groups to the annual rate of the CPI

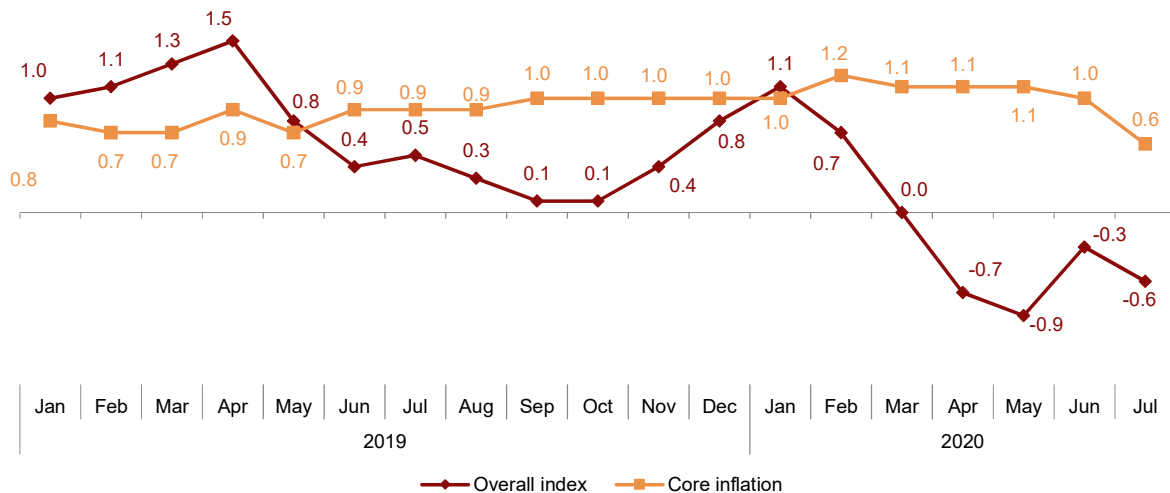


Annual rate difference Overall CPI **-0.3**

The annual variation rate of core inflation (general index excluding unprocessed food and energy products) decreased by four tenths of a point to 0.6%, standing more than one point above that of the general CPI.

Annual CPI Rate

Overall and core index. Percentage



Analysis of the COVID19 Effect

The indices of the special groups of *COVID-19 Goods and Services*, which show the evolution of the products most consumed by households during the pandemic, were published in the month of July to allow the situation to be analysed following the end of the state of alarm

COVID-19 Goods include food, beverage, tobacco, cleaning and non-durable household items, pharmaceuticals, pet food, and personal care items.

On the other hand, *COVID-19 Services* include housing and garage rental services, water distribution, waste water management, garbage collection, community expenses, electricity, gas, heating oil, telephone, music and streaming television services, insurance, banking commissions, and funeral services.

The annual rate of *COVID-19 Goods* stood at 1.8% in July, five tenths less than the previous month. In turn, the annual variation of *COVID-19 Services* decreased five tenths, standing at -2.9%.

Products that were notable for their influence on *COVID-19 Goods* were unprocessed foods, whose rate came to 3.1%, one point less than that registered in June. Among them, of particular note was the behaviour of the prices of *fresh fruits* and, to a lesser extent, *fresh legumes and vegetables*, which decreased their prices this month more than last year.

The decrease in the annual rate of *COVID-19 Services* is due to a decrease in the prices of *telephone services*, compared to the increase in 2019, and of *gas*, which was greater this month than the previous year.

Monthly evolution of consumer prices

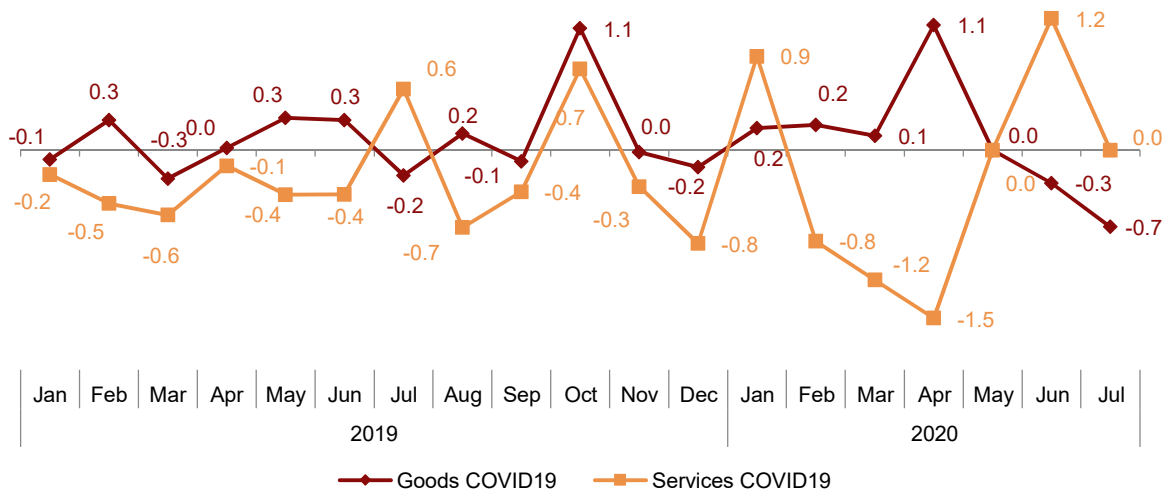
In July, the monthly change of the overall CPI was -0.9%.

In turn, the monthly variation rate of *COVID-19 Goods* was -0.7% in July. Among the products of this aggregation, there were notable decreases in the prices of fruits and *legumes and vegetables*, with drops of 4.9% and 2.0% compared to June.

COVID-19 Services showed a monthly rate of 0.0% in July. Worth noting are the increases in *electricity* prices, with a variation of 2.7%, as well as *diesel for heating*, which rose by 8.9%. Also noteworthy are the price drops for *telephone services* and *gas*, which registered rates of -1.8% and -4.0%, respectively.

In addition to consumption during state of alarm, it was possible to acquire all goods and services during July. Those that most influenced the monthly drop in general index prices are *clothing*, *footwear*, *accommodation services* and *passenger air transport*, with decreases of 13.6%, 9.8%, 11.5 % and 7.1%, respectively. Also having an impact, although in the opposite direction, were increases in *fuel and lubricants* (3.1%) and *tourist packages* (4.5%).

Monthly CPI Rate COVID19 Goods and COVID19 Services. Percentage



The parcels that have most affected the monthly rate of the CPI in the month of January are the following:

Main downward contributions to the CPI monthly rate

Classes	Monthly rate (%)	Contribution
Food		
Fruit	-4.9	-0,103
Vegetables	-2.0	-0,038
Others		
Garments	-13.6	-0,632
Shoes and other footwear	-9.8	-0,148
Accommodation services	-11.5	-0,141
Telephone and telefax services	-1.8	-0,064
Gas	-4.0	-0,061
Passenger transport by air	-7.1	-0,034

Main upward contributions to the CPI monthly rate

Classes	Monthly rate (%)	Contribution
Food		
Meat	0.2	0,010
Others		
Fuels and lubricants for personal transport equipment	3.1	0,173
Electricity	2.7	0,091
Package holidays	4.5	0,073
Liquid fuels	8.9	0,033

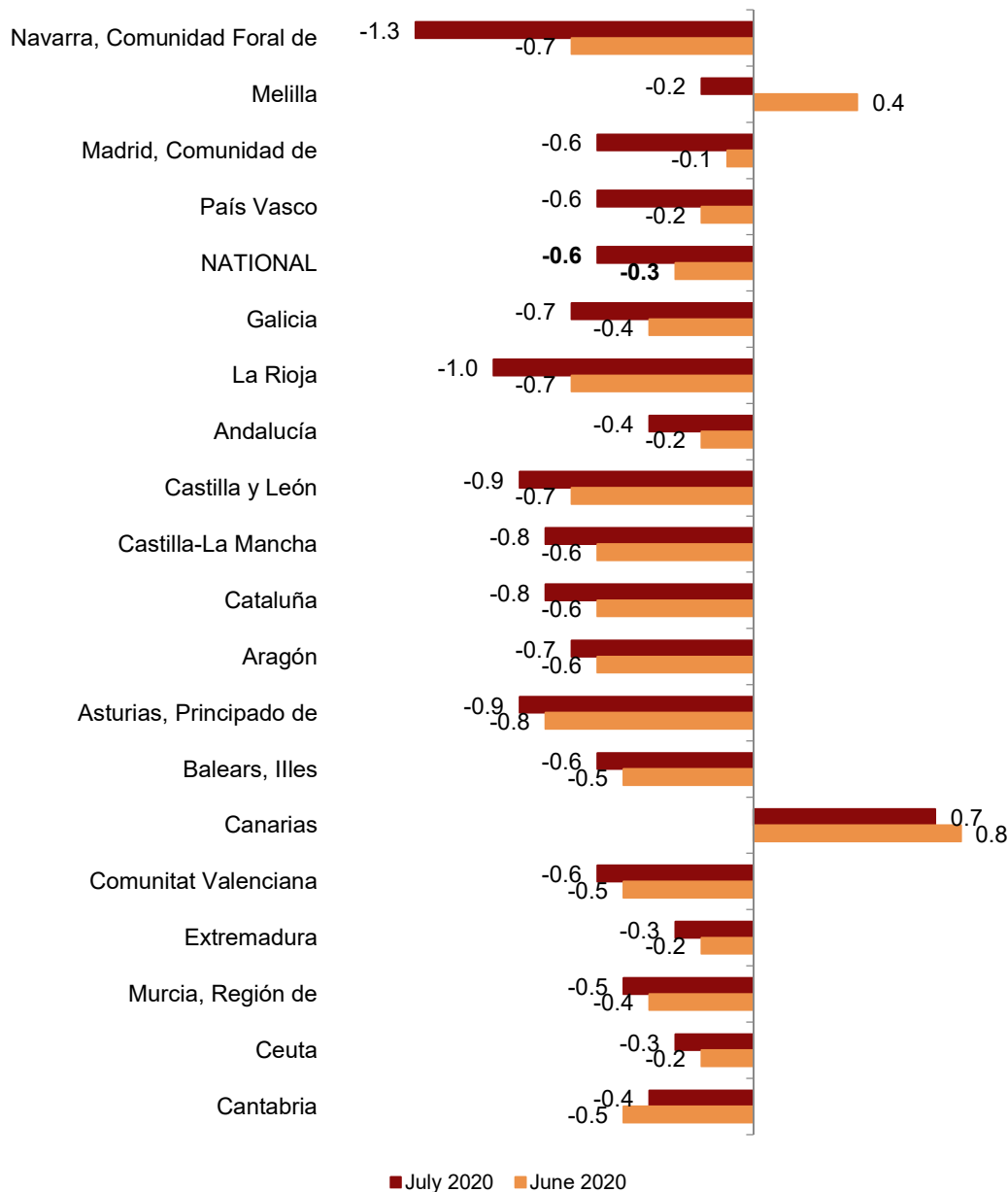
Results by Autonomous Communities. Annual variation rates

The annual CPI rate decreased in all Autonomous Communities in May compared to April, with the exception of Cantabria, where it remained the same.

The greatest decreases occurred in Comunidad Foral de Navarra, Comunidad de Madrid and País Vasco, with decreases of six, five and four tenths, respectively.

Annual rates of CPI

Autonomous Communities and Cities. Percentage



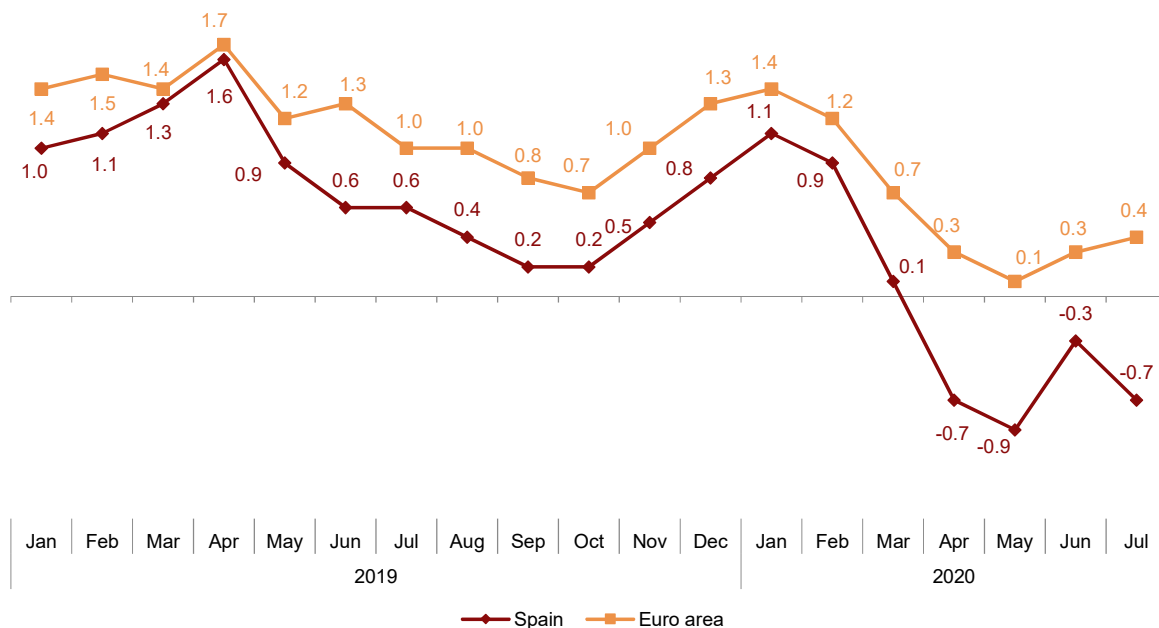
Harmonised Index of Consumer Prices (HICP)

In July, the annual variation rate of the HICP stood at -0.7%, four tenths below that registered in the previous month.

The monthly change of HICP was -1.6%.

Annual evolution of HICP. Base 2015

Overall index Spain and Monetary Union¹



¹ The latest data from the Monetary Union refers to the flash estimate

Consumer Price Index at Constant Taxes

In July, the annual rate of the Consumer Price Index at Constant Taxes (CPI-CT) stood at -0.6%, remaining the same as that of the overall CPI.

The monthly variation of the CPI-CT was **-0.9%**.

In turn, the annual rate of HICP-CT registered an annual change of -0.7%, remaining the same as that of the HICP.

The monthly change of the HICP-CT was -1.6%.

Data Review and Update

The data published today is final and is not subject to further revision. All results are available on INEBase.

Methodological note

The **Consumer Price Index (CPI)** is a short-term indicator that measures the evolution of the prices of consumer goods and services acquired by households resident in Spain.

On the other hand, the Harmonized Index of Consumer Prices (HICP) is an indicator whose objective is to provide a common inflation measure that allows international comparisons.

Type of survey: continuous monthly survey.

Base period: 2016 (CPI) and 2015 (HICP).

Reference period for the weightings: year prior to the present year.

Sample of municipalities: 177.

Number of products: 479 (CPI) and 478 (HICP).

Number of observations: Approximately 220,000 monthly prices.

Functional classification: ECOICOP.

General calculation method: Chained Laspeyres.

Collection method: interviewing agents in establishments, *data scanner* and centralized collection for special items.

For more information, the methodology of both indicators can be consulted in the following link:

http://www.ine.es/en/metodologia/t25/t2530138_16_en.pdf

The CPI standardised methodological report on:

<http://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30138>

And the HICP standardised methodological report on:

<http://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30180>

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Harmonised Index of Consumer Prices, 2015=100 July 2020

1. National indices: overall index and divisions

Division	Index	% Change	
		Monthly	Annual
ALL ITEMS	103.23	-1.6	-0.7
1. Food and non-alcoholic beverages	107.49	-0.8	2.2
2. Alcoholic beverages and tobacco	105.38	-0.1	0.5
3. Clothing and footwear	93.48	-19.9	0.5
4. Housing	96.65	0.5	-3.8
5. Furniture and household equipment	100.67	-0.4	0.6
6. Health	102.81	0.2	0.4
7. Transport	101.43	1.0	-4.4
8. Communications	105.87	-1.7	-1.2
9. Recreation and culture	100.22	1.0	-1.4
10. Education	103.96	0.0	0.8
11. Hotels, cafés and restaurants	108.82	-1.8	-0.5
12. Miscellaneous goods and services	106.21	-0.2	1.7

2. National indices: HICP and HICP at Constant Tax Rates

All items	Index	% Change	
		Monthly	Annual
HICP at Constant Tax Rates	103.18	-1.6	-0.7
HICP	103.23	-1.6	-0.7