

13 January, 2014

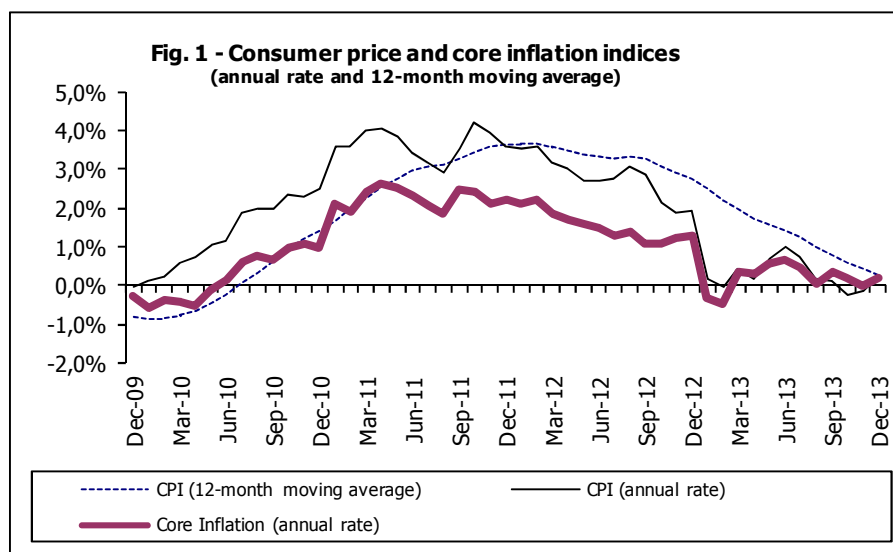
CONSUMER PRICES INDEX
December 2013

The CPI annual average rate of change was 0.3% in 2013 and the rate of change on a year earlier was 0.2% in December

The average rate of change of the Portuguese Consumer Price Index (CPI) was 0.3% in 2013 (2.8% in 2012).

The CPI recorded an annual rate of change of 0.2% in December 2013. Excluding energy and unprocessed food, the annual rate was 0.2%. The CPI monthly rate of change was 0.4% (-0.2% in November and 0.0% in December 2012).

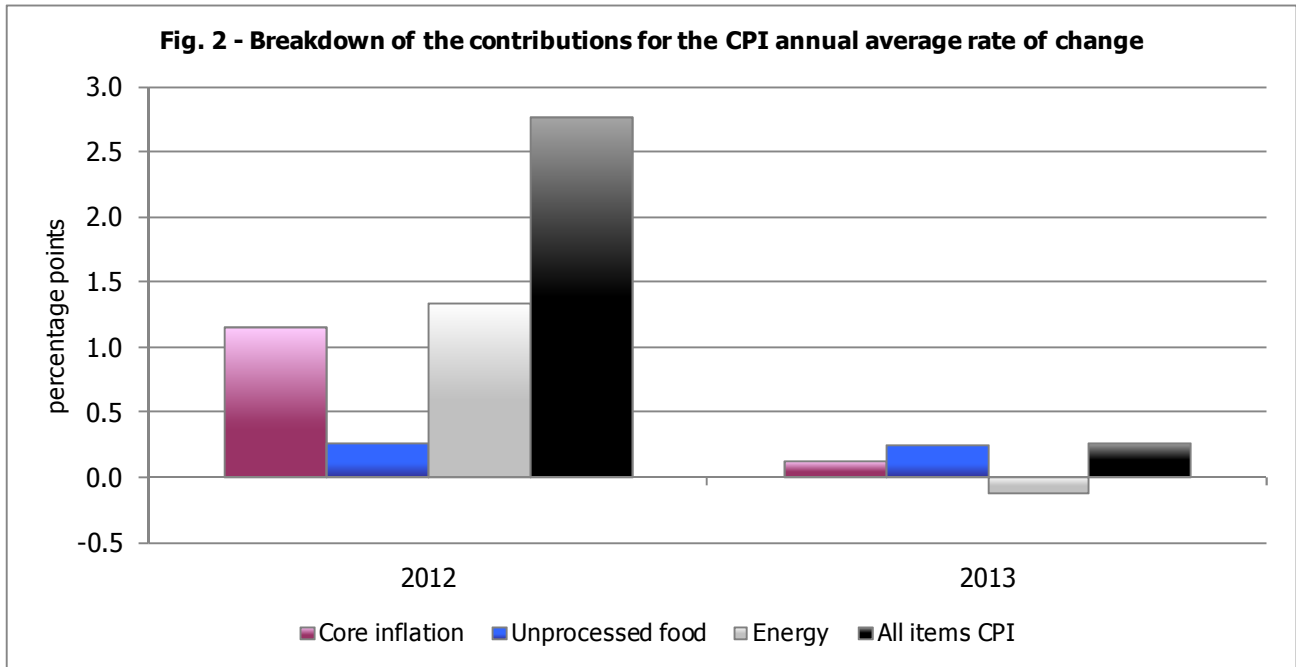
In 2013, the Portuguese Harmonised Index of Consumer Prices (HICP) increased 0.4% comparing with 2012. In December, the HICP annual inflation rate increased to 0.2%, 0.6 percentage points (p.p.) below the rate estimated by Eurostat for the Euro area (0.1 p.p. below in November).



The 12-month average rate of change of the Portuguese Consumer Price Index (CPI) decreased to 0.3% in 2013 (2.8% in 2012). The 12-month core inflation rate, which excludes unprocessed food and energy, moved from 1.5% in 2012 to 0.2% in 2013, reducing significantly the contribution to the rate of change of the CPI (see Fig. 2).

In addition to the significant deceleration in core inflation, the reduction in the rate of change of energy products from 9.6% in 2012 to -0.7% in 2013, also contributed significantly to the CPI slowdown in 2013. The decrease in fuel prices, as well as the dissipation of the effect of the increase in Value Added Tax rate of natural gas and electricity from 6% to 23% in October 2011, largely explain this reduction. Also, the dissipation of this impact was decisive for the reduction of 6.5 p.p. in the average rate of change of COICOP division 4 (Housing, water, electricity, gas and other fuels), which stood at 2.2% in 2013.

The contribution of unprocessed food was the most significant in 2013, but remained very close to that recorded in 2012.



In December 2013, the annual inflation rate measured by the CPI increased 0.4 p.p. to 0.2%, comparing with the previous month.

The largest upward pressure on the overall annual change rate came from increases in the prices of the COICOP divisions 6 (Health), 2 (Alcoholic beverages and tobacco) and 1 (Food and non-alcoholic beverages).

The annual core inflation rate, measured by the CPI excluding energy and unprocessed food, was 0.2% in December (0.0% in November).

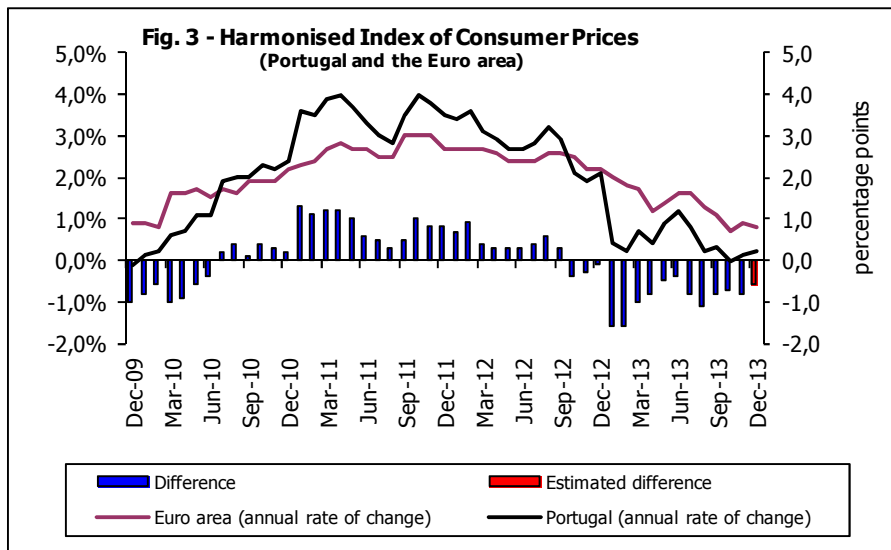
The CPI monthly rate was 0.4% (-0.2% in November 2013 and 0.0% in December 2012). The main upward contribution came from changes in the prices of the COICOP division 7 (Transports). The largest downward pressure came from changes in prices of COICOP division 3 (Clothing and footwear).

In December 2013, the HICP 12-month average rate decreased to 0.4% (0.6% in November 2013).

In November 2013 the Portuguese HICP 12-month average rate was 0.9 p.p. lower than the rate observed for the Euro-area. Accordingly with Eurostat's flash estimate for the whole area¹, this difference should remain the same in December.

The HICP annual rate of change was 0.2% (0.1% in November 2013). The HICP monthly rate of change was 0.3% (-0.3% and 0.2% respectively in the previous month and in December 2012). In November 2013 the annual rate of change of the Euro area was 0.8 p.p. higher than the annual rate of change of the Portuguese HICP. That difference is estimated to have decreased to 0.6 p.p. in December 2013.

¹ Estimate for the annual rate of change of the Euro area HICP, published 07th January 2014.
Consumer Price Index – December 2013



Housing Rents

In December 2013, compared with November 2013, the average value of rents by net area for the whole country increased 0.1% (change rate of 0.2% in the previous month).

The main increase was observed in the Centro region, where the value of rents by net area increased 0.2%. The most relevant decrease was recorded in the Algarve region (-0.2%).

Consumer Price Index

The Consumer Price Index (CPI) measures the change over time of the prices of a certain basket of goods and services bought by a "typical" consumer. The CPI has been designed to capture price changes and not to measure price levels. The CPI 2012=100 weighting structure and the sample of goods and services included in the basket are a result of the combination of three fundamental sources of information recently made available: the 2011 Census, the Household Expenditure Survey 2010/2011 and the final 2010 and preliminary 2011 results of the Portuguese National Accounts. Administrative data at a more detailed level is also used.

From 2013 onwards the CPI will be updated every year in a more effective way with the most recent information on prices and quantities.

The CPI is compiled through the aggregation of seven regional price indexes and the goods and services included in the index are grouped according to the COICOP classification.

Table 1: CPI - COICOP¹ Divisions

01	Food and non-alcoholic beverages	07	Transports
02	Alcoholic beverages and tobacco	08	Communications
03	Clothing and footwear	09	Recreation and culture
04	Housing, water, electricity, gas and other fuels	10	Education
05	Furnishings, household equipment and routine maintenance of the house	11	Restaurants and hotels
06	Health	12	Miscellaneous goods and services

¹ COICOP: Classification Of Individual Consumption by Purpose

Monthly rate

The monthly rate is the change in the index of a certain month compared with the index of the previous month expressed as a percentage. Although up-to-date, this measure can be affected by seasonal and other effects.

Annual rate

The annual rate is the change in the index of a certain month compared with the index of the same month in the previous year expressed as a percentage. In the presence of a stable seasonal pattern, seasonal effects do not influence this measure.

12-month average rate

The 12-month average rate is the change in the average index of one year compared with the average index of the previous year expressed as a percentage. This moving average is less sensitive to transient changes in prices.

Core inflation index (all items CPI excluding unprocessed food and energy products)

The core inflation index is compiled by excluding the prices of unprocessed food and energy products from the all items CPI. The primary objective of this index is to capture the underlying inflation pressures in the economy.

Harmonised Index of Consumer Prices

The Harmonised Index of Consumer Prices (HICP) is compiled in each member state of the European Union for the purposes of inflation comparisons across EU countries, as required by the Treaty on European Union¹. This index plays an important role as a guideline for the achievement of the European System of Central Banks primary objective: price stability. In 1998, the European Central Bank adopted the HICP as "the most appropriate price measure" for its definition of price stability in the Euro area².

The current HICP (2005 = 100) is produced in each Member State following a harmonized methodology developed by experts in the field of price statistics, under the Eurostat's "Price Statistics Working Group". From the methodological point of view, there are no major differences between the HICP and CPI. However, the different scope of coverage leads to differences in the weighting structure, mainly in Restaurants and hotels. This is mostly an effect of the inclusion of non-residents expenditure ("tourists") in the HICP and the corresponding exclusion from the CPI.

Additional information on the methodology of the HICP can be found on the Eurostat website at <http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction>.

1 - Article 109j and protocol on the convergence criteria referred to in that article.

2 - "A stability oriented monetary policy strategy for the ESCB". ECB press notice released on 13 October 1998.

Table 2: CPI and HICP 2013 weighting structure

COICOP ¹ divisions	CPI	HICP
01 Food and non-alcoholic beverages	196,1	191,1
02 Alcoholic beverages and tobacco	35,8	35,4
03 Clothing and footwear	66,6	66,2
04 Housing, water, electricity, gas and other fuels	92,9	89,6
05 Furnishings, household equipment and routine maintenance of the house	63,8	62,5
06 Health	70,2	65,1
07 Transport	143,4	144,7
08 Communication	36,9	35,9
09 Recreation and culture	78,6	68,5
10 Education	15,6	15,2
11 Restaurants and hotels	94,9	123,0
12 Miscellaneous goods and services	105,2	102,7
00 All items	1000,0	1000,0

¹ COICOP: Classification Of Individual Consumption by Purpose.

Presentation of data and rounding rules

With the release of the January 2013 CPI indices are published with base 100 in the year 2012.

Due to rounding procedures, those indices may not reproduce exactly the published rates of change. However, one should bear in mind that the published rates keep unchanged.

In this press release the descriptive analysis is based on values rounded to one decimal.

Next press release

The January 2013 CPI/HICP will be released on February 12th 2014

CPI rate of change (index division and all items CPI)

	Index divisions ⁽¹⁾												All-items CPI
	01	02	03	04	05	06	07	08	09	10	11	12	
Annual average rate													
2011	2.10	7.94	-3.93	6.66	1.17	4.46	8.90	2.99	0.96	2.05	1.41	1.79	3.65
2012	3.20	4.74	-5.24	8.72	-0.47	0.35	3.27	0.46	0.91	1.50	4.47	1.11	2.77
2013	1.94	4.05	-3.31	2.15	-0.51	1.49	-2.32	0.45	0.41	1.18	1.65	-0.61	0.27
Annual rate													
2011 December	2.20	5.59	-3.80	9.90	0.97	7.46	6.06	2.23	0.50	1.74	1.20	1.52	3.61
2012 January	3.32	4.48	-3.59	9.57	-0.03	5.85	4.50	0.34	-0.41	1.63	3.36	1.70	3.51
February	3.44	2.45	-2.73	9.61	-0.39	4.19	5.14	0.12	0.45	1.60	4.01	1.75	3.60
March	2.92	4.43	-5.97	9.77	-0.34	3.47	4.70	0.31	-0.14	1.58	3.79	1.29	3.15
April	2.83	4.81	-5.89	9.90	-0.25	2.41	3.69	0.25	0.44	1.56	4.27	1.44	3.01
May	2.64	4.89	-5.47	10.04	-0.22	0.67	2.72	-0.07	-0.04	1.55	4.65	1.41	2.70
June	3.34	4.72	-5.31	10.04	-0.60	-0.15	2.31	0.73	0.50	1.52	4.62	1.27	2.71
July	4.04	5.78	-5.00	10.35	-0.80	-2.06	2.10	0.47	0.89	1.52	4.98	0.85	2.77
August	3.27	5.22	-4.30	10.47	-0.55	-2.03	3.84	0.50	1.33	1.42	5.08	1.04	3.08
September	2.93	5.14	-7.35	10.85	-0.75	-1.80	3.78	0.67	2.17	1.48	4.87	0.94	2.88
October	3.18	5.18	-5.79	4.88	-0.62	-2.23	3.27	0.69	1.87	1.33	4.76	0.60	2.13
November	3.29	4.92	-5.59	4.81	-0.65	-2.00	1.64	0.69	2.05	1.43	4.72	0.67	1.89
December	3.21	4.79	-4.84	5.02	-0.45	-1.77	1.67	0.78	1.81	1.42	4.53	0.36	1.92
2013 January	2.29	5.00	-5.19	3.60	-0.41	-3.01	-1.42	-1.45	2.08	1.44	2.15	-0.36	0.17
February	2.00	5.12	-4.94	3.48	-0.25	-1.68	-1.60	-0.41	0.92	1.41	1.60	-0.34	-0.03
March	2.15	4.46	-4.53	3.11	-0.24	-0.83	-1.96	-0.58	1.60	1.44	1.81	-0.02	0.45
April	2.02	3.74	-3.63	2.67	-0.21	0.14	-4.38	0.15	1.44	1.45	1.95	0.07	0.18
May	3.10	4.06	-3.55	2.42	-0.41	2.04	-3.42	0.50	0.88	1.49	2.31	0.00	0.71
June	2.84	3.98	-3.40	2.20	-0.13	2.57	-1.52	0.53	0.83	1.49	2.18	-0.10	0.98
July	2.45	2.61	-1.23	1.99	-0.33	2.97	0.05	0.80	0.08	1.49	1.88	-1.26	0.76
August	2.94	3.30	-2.86	1.84	-0.73	3.47	-1.77	0.78	-0.63	1.47	2.04	-1.48	0.15
September	1.90	3.51	-2.12	1.44	-0.54	3.53	-3.68	0.85	-0.07	1.45	1.56	-1.02	0.12
October	0.48	4.15	-2.80	1.09	-0.76	3.19	-4.05	1.14	-0.49	0.39	1.11	-0.98	-0.25
November	0.53	4.48	-3.08	1.13	-0.96	3.00	-3.47	1.57	-0.68	0.33	0.70	-0.99	-0.15
December	0.61	4.27	-2.65	0.94	-1.10	3.00	-0.54	1.55	-1.03	0.31	0.55	-0.81	0.20

Symbols: f estimated Po provisional x not available

Note: (1) The names of the divisions are given in the explanatory notes.

Source: INE - Portugal

HICP rate of change (international comparison)⁽¹⁾

	EA-17 ⁽²⁾	EICP ⁽³⁾	BE	BG	CZ	DK	DE	EE	EL	ES	FR	HR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
Annual average rate																														
2011	2.7	3.1	3.5	3.4	2.1	2.7	2.5	5.1	3.1	3.1	2.3	2.2	1.2	2.9	3.5	4.2	4.1	3.7	3.9	2.5	2.5	3.6	3.9	3.6	5.8	2.1	4.1	3.3	1.4	4.5
2012	2.5	2.6	2.6	2.4	3.5	2.4	2.1	4.2	1.0	2.4	2.2	3.4	1.9	3.3	3.1	2.3	3.2	2.9	5.7	3.2	2.8	2.6	3.7	2.8	3.4	2.8	3.7	3.2	0.9	2.8
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.4	-	-	-	-	-	-
Annual rate																														
2011 December	2.7	3.0	3.2	2.0	2.8	2.4	2.3	4.1	2.2	2.4	2.7	2.1	1.4	3.7	4.2	3.9	3.5	3.4	4.1	1.5	2.5	3.4	4.5	3.5	3.2	2.1	4.6	2.6	0.4	4.2
2012 January	2.7	2.9	3.3	1.9	3.8	2.8	2.3	4.7	2.1	2.0	2.6	1.4	1.3	3.4	3.1	3.4	3.4	3.2	5.6	1.7	2.9	2.9	4.1	3.4	2.8	2.3	4.1	3.0	0.7	3.6
February	2.7	2.9	3.4	2.0	4.0	2.7	2.5	4.4	1.7	1.9	2.5	1.6	1.6	3.4	3.1	3.3	3.7	3.3	5.8	2.6	2.9	2.6	4.4	3.6	2.7	2.8	4.0	3.0	1.0	3.4
March	2.7	2.9	3.1	1.7	4.2	2.7	2.3	4.7	1.4	1.8	2.6	2.1	2.2	3.8	3.5	3.2	3.7	2.9	5.5	2.6	2.9	2.6	3.9	3.1	2.5	2.4	3.9	2.9	1.1	3.5
April	2.6	2.7	2.9	2.0	4.0	2.3	2.2	4.3	1.5	2.0	2.4	2.6	1.9	3.7	3.6	2.8	3.3	3.0	5.6	3.8	2.8	2.3	4.0	2.9	1.9	2.9	3.7	3.0	1.0	3.0
May	2.4	2.6	2.6	1.8	3.5	2.1	2.2	4.1	0.9	1.9	2.3	3.5	1.9	3.5	3.7	2.3	2.6	2.7	5.4	3.7	2.5	2.2	3.6	2.7	2.0	2.4	3.4	3.1	0.9	2.8
June	2.4	2.5	2.2	1.6	3.8	2.2	2.0	4.4	1.0	1.8	2.3	3.6	1.9	3.6	2.9	2.1	2.6	2.6	5.6	4.4	2.5	2.2	4.2	2.7	2.2	2.4	3.7	2.9	0.9	2.4
July	2.4	2.5	2.0	2.4	3.3	2.1	1.9	4.1	0.9	2.2	2.2	3.4	2.0	3.6	3.8	1.9	2.9	2.7	5.7	4.2	2.6	2.1	4.0	2.8	3.1	2.6	3.8	3.1	0.7	2.6
August	2.6	2.7	2.6	3.1	3.4	2.6	2.2	4.2	1.2	2.7	2.4	4.1	2.6	3.3	4.5	1.9	3.4	2.8	6.0	3.2	2.5	2.3	3.8	3.2	4.0	3.1	3.8	3.3	0.9	2.5
September	2.6	2.7	2.6	3.4	3.5	2.5	2.1	4.1	0.3	3.5	2.2	4.8	2.4	3.4	3.6	1.9	3.3	3.2	6.4	2.9	2.5	2.8	3.8	2.9	5.4	3.7	3.8	3.4	1.0	2.2
October	2.5	2.6	2.7	3.0	3.6	2.3	2.1	4.2	0.9	3.5	2.1	4.6	2.1	2.8	2.6	1.6	3.2	3.2	6.0	3.2	3.3	2.9	3.4	2.1	5.0	3.2	3.9	3.5	1.2	2.7
November	2.2	2.4	2.2	2.7	2.8	2.2	1.9	3.8	0.4	3.0	1.6	4.1	1.6	2.6	1.4	1.5	2.8	2.7	5.3	3.6	3.2	2.9	2.7	1.9	4.4	2.8	3.5	3.2	0.8	2.7
December	2.2	2.3	2.1	2.8	2.4	1.9	2.0	3.6	0.3	3.0	1.5	4.4	1.7	2.6	1.5	1.6	2.9	2.5	5.1	2.8	3.4	2.9	2.2	2.1	4.6	3.1	3.4	3.5	1.0	2.7
2013 January	2.0	2.1	1.5	2.6	1.8	1.0	1.9	3.7	0.0	2.8	1.4	4.6	1.5	2.4	2.0	0.6	2.7	2.1	2.8	2.4	3.2	2.8	1.6	0.4	5.1	2.8	2.5	2.6	0.7	2.7
February	1.8	2.0	1.4	2.2	1.8	1.0	1.8	4.0	0.1	2.9	1.2	4.4	1.2	2.0	1.8	0.3	2.3	2.4	2.9	1.8	3.2	2.6	1.2	0.2	4.8	2.9	2.2	2.5	0.5	2.8
March	1.7	1.9	1.3	1.6	1.5	0.7	1.8	3.8	-0.2	2.6	1.1	3.4	0.6	1.8	1.3	0.3	1.6	2.0	2.3	1.4	3.2	2.4	1.0	0.7	4.4	2.2	1.9	2.5	0.5	2.8
April	1.2	1.4	1.1	0.9	1.7	0.4	1.1	3.4	-0.6	1.5	0.8	3.1	0.5	1.3	0.1	-0.4	1.4	1.7	1.8	0.9	2.8	2.1	0.8	0.4	4.4	1.6	1.7	2.4	0.0	2.4
May	1.4	1.6	1.1	1.0	1.2	0.6	1.6	3.6	-0.3	1.8	0.9	1.8	0.5	1.3	0.2	-0.2	1.5	1.4	1.8	0.8	3.1	2.4	0.5	0.9	4.4	1.6	1.8	2.5	0.3	2.7
June	1.6	1.7	1.5	1.2	1.6	0.6	1.9	4.1	-0.3	2.2	1.0	2.2	0.7	1.4	0.8	0.2	1.3	2.0	2.0	0.6	3.2	2.2	0.2	1.2	4.5	2.2	1.7	2.3	0.5	2.9
July	1.6	1.7	1.6	0.0	1.4	0.4	1.9	3.9	-0.5	1.9	1.2	2.7	0.7	1.2	0.7	0.5	0.6	1.8	1.7	0.9	3.1	2.1	0.9	0.8	3.4	2.8	1.6	2.5	0.8	2.8
August	1.3	1.5	1.1	-0.7	1.2	0.1	1.6	3.6	-1.0	1.6	1.0	2.4	0.0	1.2	0.1	-0.1	0.5	1.7	1.6	0.7	2.8	2.0	0.9	0.2	2.6	2.2	1.4	2.0	0.8	2.7
September	1.1	1.3	1.0	-1.3	1.0	0.2	1.6	2.6	-1.0	0.5	1.0	1.7	0.0	0.9	0.3	-0.4	0.5	1.5	1.6	0.6	2.4	1.8	0.9	0.3	1.1	1.5	1.1	1.8	0.5	2.7
October	0.7	0.9	0.7	-1.1	0.8	0.3	1.2	2.2	-1.9	0.0	0.7	0.8	-0.1	0.8	-0.5	0.0	0.5	1.0	1.1	0.5	1.3	1.5	0.7	0.0	1.2	1.1	0.7	1.7	0.2	2.2
November	0.9 Po	1.0 Po	0.9	-1.0	1.0	0.3	1.6	2.1	-2.9	0.3	0.8	0.7	0.3	0.7	-0.8	-0.3	0.5	1.1	0.4	0.3	1.2	1.5 Po	0.5	0.1	1.3	1.2	0.5	1.8	0.3	2.1
December	0.8 f	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0.2	x	x	x	x	x	x

Symbols: f estimated Po provisional Rc revised x not available

Notes: (1) From January 2006 onwards: base 100=2005; index rates of change calculated based on indexes rounded up to two decimal places.

(2) Member States belonging to the Euro Area: EA-13 until December 2007, EA-15 until December 2008 (including Malta and Cyprus), EA-16 from January 2009, EA-16 from January 2011 (including Estonia).

(3) European Index of Consumer Prices: EU-15 until April 2004, EU-25 until December 2006, EU-27 until June 2013 and EU-28 onwards.

Source: INE-Portugal and Eurostat.

Code abbreviations of the Member States:

BE Belgium	EE Estonia	IT Italy	HR Croatia	PL Poland	FI Finland
BG Bulgaria	EL Greece	CY Cyprus	HU Hungary	PT Portugal	SE Sweden
CZ Czech Republic	ES Spain	LV Latvia	MT Malta	RO Romania	UK United Kingdom
DK Denmark	FR France	LT Lithuania	NL Netherlands	SI Slovenia	
DE Germany	IE Ireland	LU Luxembourg	AT Austria	SK Slovakia	