



REPUBLIC OF CYPRUS
MINISTRY OF FINANCE



STATISTICAL SERVICE
OF CYPRUS
1444 NICOSIA

2nd August, 2018

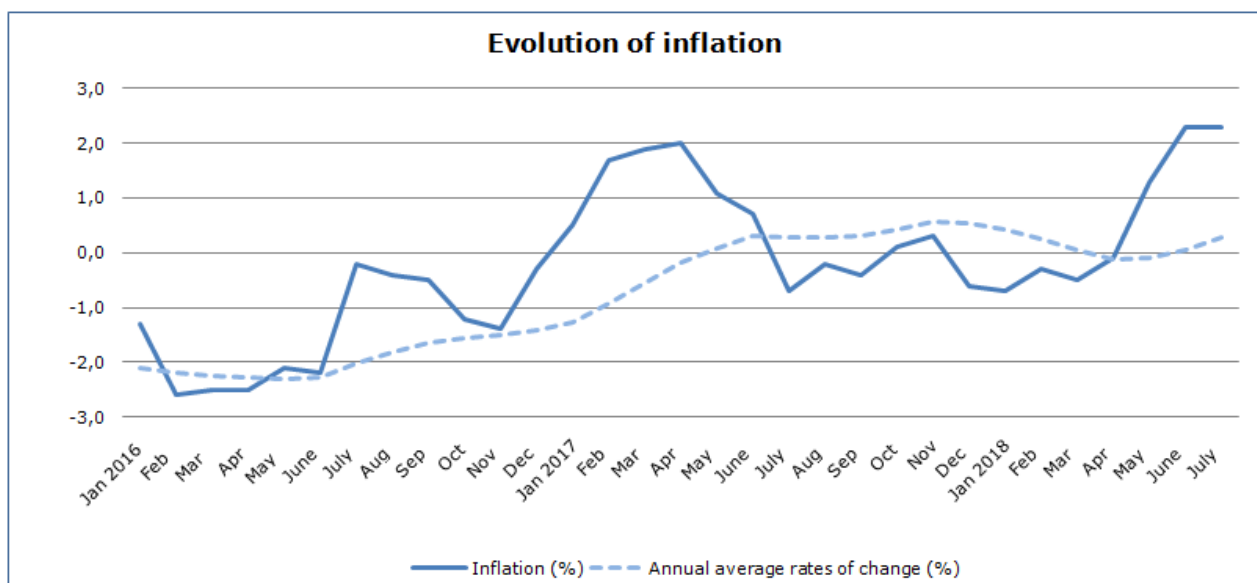
PRESS RELEASE

CONSUMER PRICE INDEX (CPI): JULY 2018

Inflation 2,3%

In July 2018, the Consumer Price Index decreased by 1,17 units to 100,32 units compared to 101,49 units in June 2018. Compared to July 2017, the CPI is increased by 2,3% while for the period January - July 2018, the CPI is increased by 0,6% compared to the corresponding period of the previous year. (Table 1)

In the twelve-month period from August 2017 to July 2018, in comparison to the period from August 2016 to July 2017, the annual average rate of change of the CPI was 0,3%, same as in the previous twelve month period.



As regards the economic origin, the largest change when compared to the index of July 2017, was recorded in *Petroleum products* with an increase of 13,8%, while in comparison to the index of the previous month a decrease of 3,4% was observed in *Industrial goods (excl. petroleum products)*. (Table 2)

Analysis of changes

Compared to July 2017, the largest positive change was noted in *Transport* (6,7%). (Table 1)

In comparison to the CPI of June 2018, the largest negative change was noted in *Clothing and Footwear* (-15,6%). (Table 1)

For the period January-July 2018, compared to the corresponding period of the previous year, the largest positive change was noted in *Transport* (4,1%), while a decrease was recorded in *Alcoholic Beverages and Tobacco* (-1,8%). (Table 1)

Analysis of effects

The category with the largest effect on the change of the CPI of July 2018 compared to the previous month, was the *Clothing and Footwear* (-1,20). (Table 3)

The products/services with the most notable effect on the change of the CPI of July 2018 compared to the previous month were the following: *clothing* (-0,87) and *footwear* (-0,33). (Table 4)

Table 1

Categories of Goods and Services	CPI (2015=100)			Change (%)	
	June 2018	July 2018	July 18/ July 17	July 18/ June 18	Jan - July 18/ Jan - July 17
Food and Non-Alcoholic Beverages	100,75	100,81	2,40	0,06	-0,88
Alcoholic Beverages and Tobacco	97,87	97,99	-1,34	0,12	-1,75
Clothing and Footwear	106,36	89,78	-0,48	-15,59	-0,87
Housing, Water, Electricity, Gas and Other Fuels	104,32	105,06	5,66	0,71	1,64
Furnishings, Household Equipment and Routine Maintenance of the House	96,66	95,22	-2,05	-1,49	-1,72
Health	101,36	101,78	-0,11	0,41	0,23
Transport	103,00	103,00	6,72	0,00	4,10
Communication	97,14	97,05	-0,37	-0,09	-0,52
Recreation and Culture	99,46	99,97	1,54	0,51	0,38
Education	103,09	103,09	2,32	0,00	2,32
Restaurants and Hotels	103,40	103,86	2,19	0,44	1,40
Miscellaneous Goods and Services	98,82	98,09	-0,28	-0,74	-0,46
General Consumer Price Index	101,49	100,32	2,34	-1,15	0,59

Table 2

Economic Origin	Weights	Change (%)	
		July 18/ July 17	July 18/ June 18
General Index	10000	2,34	-1,15
Agricultural goods	655	5,04	-0,23
Industrial goods (excl. petroleum products)	4195	-0,41	-3,35
Electricity	319	10,71	1,22
Petroleum products	550	13,81	-0,29
Water	57	-2,78	0,00
Services	4224	1,95	0,45

Table 3

Categories of Goods and Services	Weights	Effect (units)
		July 18/ June 18
Food and non-alcoholic beverages	1906	0,01
Alcoholic beverages, tobacco	347	0,00
Clothing and footwear	721	-1,20
Housing, water, electricity, gas and other fuels	1119	0,08
Furnishings, household equipment and routine maintenance of the house	644	-0,09
Health	637	0,03
Transport	1524	0,00
Communication	439	0,00
Recreation and culture	575	0,03
Education	392	0,00
Restaurants and hotels	836	0,04
Miscellaneous goods and services	860	-0,06
General Consumer Price Index	10000	-1,17

Note: Totals are calculated on the basis of the effects of the categories with infinite decimal figures and rounded up to two decimals when published. Figures may not add to totals due to rounding error.

Table 4

Goods/Services	Effect (units)
	July 18/ June 18
<i>Positive effect</i>	
Airfares	0,05
Electricity	0,04
<i>Negative effect</i>	
Clothing	-0,87
Footwear	-0,33
Fresh fruits	-0,06
TOTAL	-1,17

METHODOLOGICAL NOTES

Definitions

The **Consumer Price Index (CPI)** is compiled to measure the changes of prices over time of consumer goods and services acquired, used or paid by households. Specifically, the national CPI of Cyprus covers the consumption expenses of specific goods and services (shopping basket of goods and services), of the resident households and of the households that intend to live in Cyprus for at least one year. CPI is the official index for the estimation of inflation.

The **Inflation** shows the change of the CPI when compared with the index of the corresponding month of the previous year.

The **Effect** represents the amount of the overall change in the General Index which is accounted for by any given category.

Collection

The price collection is carried out only in urban districts of Nicosia, Larnaca, Limassol and Paphos. For each city, the fluctuations in the product prices each month, are weighted according to their population. Specifically, the weights for the four districts are: Nicosia 42%, Limassol 30%, Larnaca 18% and Paphos 10%.

The prices of 805 goods and services are recorded once every month, except for some seasonal products (e.g vegetables and fruits), meat and fuels, whose prices are collected every week (every Thursday).

Base year

The index reference period was 2005=100 for the period between January 2006 and December 2015. From January 2016 and onwards, the base year is 2015=100.

Classification

Until December 2015, COICOP 4 classification was used for the calculation and the dissemination of the CPI. From January 2016 and onwards, CYSTAT is adopting the ECOICOP classification satisfying relevant Eurostat's Regulation. In other words, the lowest level of detail for the classification used in CPI is COICOP 5-digits.

Products/Services and weights

From January 2018 and onwards, the products included in the CPI as well as their corresponding weights have been revised. The revision was based on the results of the Household Budget Survey 2015/2016.

Further information

Constandia Papageorgiou: Tel: +35722602116, Email: cpapageorgiou@cystat.mof.gov.cy
Andri Eftychiou: Tel: +35725878595, Email: aeftychiou@cystat.mof.gov.cy