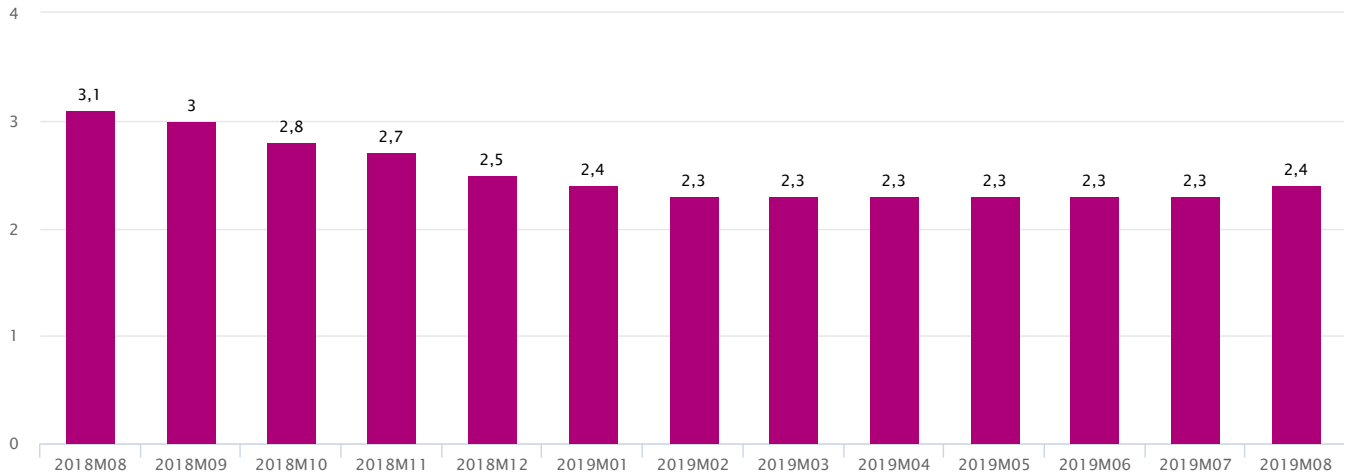


Changes in prices calculated based on the HICP

- In August 2019, average annual inflation calculated based on the harmonised index of consumer prices (HICP), which is methodologically harmonised with those of other EU member states, **stood at 2.4 per cent** and was by 0.1 percentage points lower than that calculated based on the consumer price index (CPI).

Fig. 1. Average annual inflation calculated based on the HICP

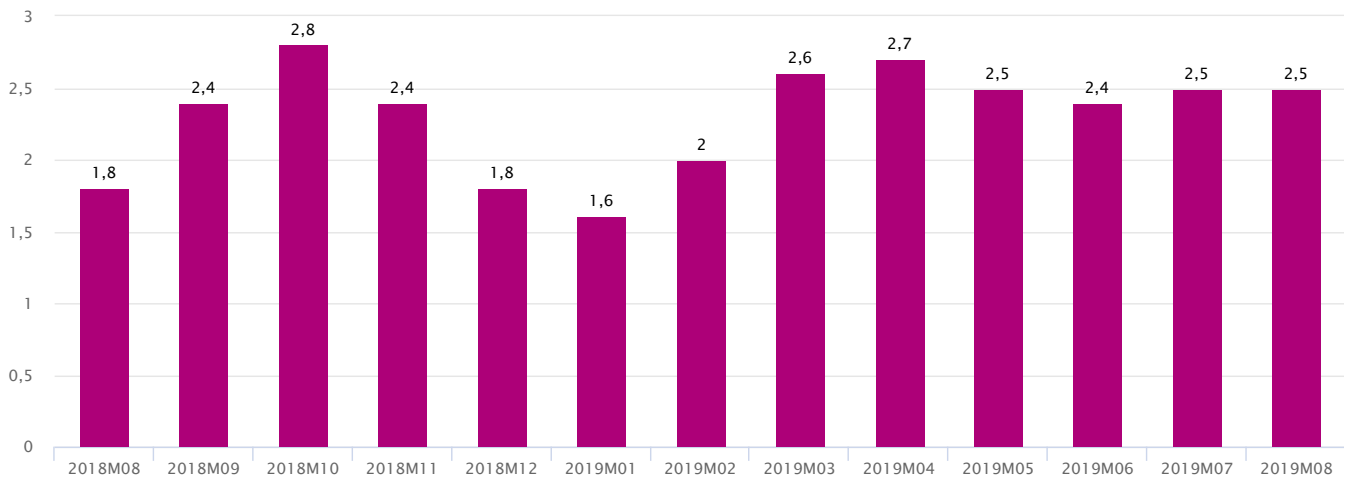
Per cent



- In August 2019, annual inflation (August 2019, against August 2018) calculated based on the HICP stood at **2.5 per cent** and was by 0.1 percentage points lower than the CPI-based one.

Fig. 2. Annual inflation calculated based on the HICP

Per cent



- In August 2019, against July, the overall change in prices for consumer goods and services calculated based on the HICP was **negative and stood at -0.4 per cent**. The same decrease in prices was calculated based on CPI.

Table 1. Rates of change in prices for consumer goods and services calculated based on the HICP, August 2019

ECOICOP ¹ divisions of consumer goods and services	Relative share (weight) in total consumption expenditure, ‰	Price growth, drop (-), %		
		August 2019, against		Average annual August 2018–2019 August 2017–2018
		July 2019	August 2018	
Consumption goods and services	1 000.0	-0.4	2.5	2.4
Food products and non-alcoholic beverages	197.9	-0.9	6.0	2.2
Alcoholic beverages and tobacco products	73.4	0.8	4.2	3.5
Clothing and footwear	67.9	-1.0	-1.7	-1.5
Housing, water, electricity, gas and other fuels	111.4	-2.3	0.7	3.8
Furnishings, household equipment and routine maintenance	72.0	-0.4	1.8	1.6
Health care	59.4	0.5	5.0	3.8
Transport	154.7	-0.2	-0.5	2.3

ECOICOP ¹ divisions of consumer goods and services	Relative share (weight) in total consumption expenditure, %	Price growth, drop (-), %			
		August 2019, against		Average annual	
		July 2019	August 2018	August 2018–2019 August 2017–2018	
Communications	28.0	0.1	-2.5	-1.5	
Recreation and culture	84.0	0.0	2.7	1.8	
Education	13.3	0.2	2.1	2.8	
Hotels, cafes and restaurants	61.9	0.7	4.6	5.0	
Miscellaneous goods and services	76.1	-0.4	2.9	2.9	

¹European Classification of Individual Consumption According to Purpose – ECOICOP

More detailed information on the greatest influence on the overall change in consumer prices is provided in the following table:

Largest influence on the overall change in consumer prices by ECOICOP class of consumer goods and services (XLSX).

Differences between the HICP and the CPI

Purpose. The HICP is an instrument for measuring inflation in the EU and making international comparisons, as well as for the compilation of the European index of consumer prices (covering 28 EU member states), Monetary Union index of consumer prices (covering 19 EU member states belonging to the euro area), and the European Economic Area index of consumer prices (covering 28 EU member states, Iceland and Norway). The extent to which a country fulfils the price stability criterion established in Article 140 of the Treaty on the Functioning of the European Union is measured taking into consideration the inflation rate calculated based on the HICP.

The CPI is used to measure the inflation rate in the country; it is the key instrument for indexation.

Coverage. The HICP, alongside consumption expenditure incurred by the residents of the country, covers consumption expenditure incurred by non-residents and visitors from abroad within the economic territory of the country. The CPI covers consumption expenditure incurred only by the residents of the country within the economic territory of the country. The HICP does not cover household expenditure on games of chance and financial intermediation services, while the CPI does cover them.

Classification. For the calculation of the CPI, the Classification of Individual Consumption by Purpose (COICOP 1999) is used. The European Classification of Individual Consumption According to Purpose – (ECOICOP) has been adjusted for the calculation of the HICP.

Weights. Due to a different coverage of consumption expenditure, weighting systems used for the HICP and CPI compilation differ. This is the primary factor leading to differences in index values.

A news release on the August 2019 inflation calculated based on the HICP is due on 9 October 2019.

For more information on the issue, please see the [Database of Indicators](#) and [Eurostat's website](#).

Statistical information is produced and disseminated pursuant to the [European Statistics Code of Practice](#).

For further terms, see the [Dictionary of Statistical Terms](#).

Definitions :

Annual inflation — the relative change in the average price level between the reporting month and the corresponding month of the previous year.

Average annual inflation — the relative change in the average price level between the last twelve months and the corresponding previous twelve months.

Consumer price index — a relative indicator reflecting the overall change in prices for consumer goods and services purchased by households to satisfy their consumption needs over a certain period of time.

Harmonised index of consumer prices — a consumer price index calculated according to the methodology harmonised within the European Union.

Contact info :

Renata Paškevičienė
Adviser, Price Statistics Division
Tel. (+370 5) 236 4781
Email renata.paskeviciene@stat.gov.lt

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Related news releases:

- The August 2019 inflation provisional estimate calculated based on the harmonised index of consumer prices (HICP)
- Changes in prices calculated based on the HICP
- The July inflation provisional estimate calculated based on the harmonised index of consumer prices (HICP)