



REPUBLIC OF CYPRUS
MINISTRY OF FINANCE



STATISTICAL SERVICE
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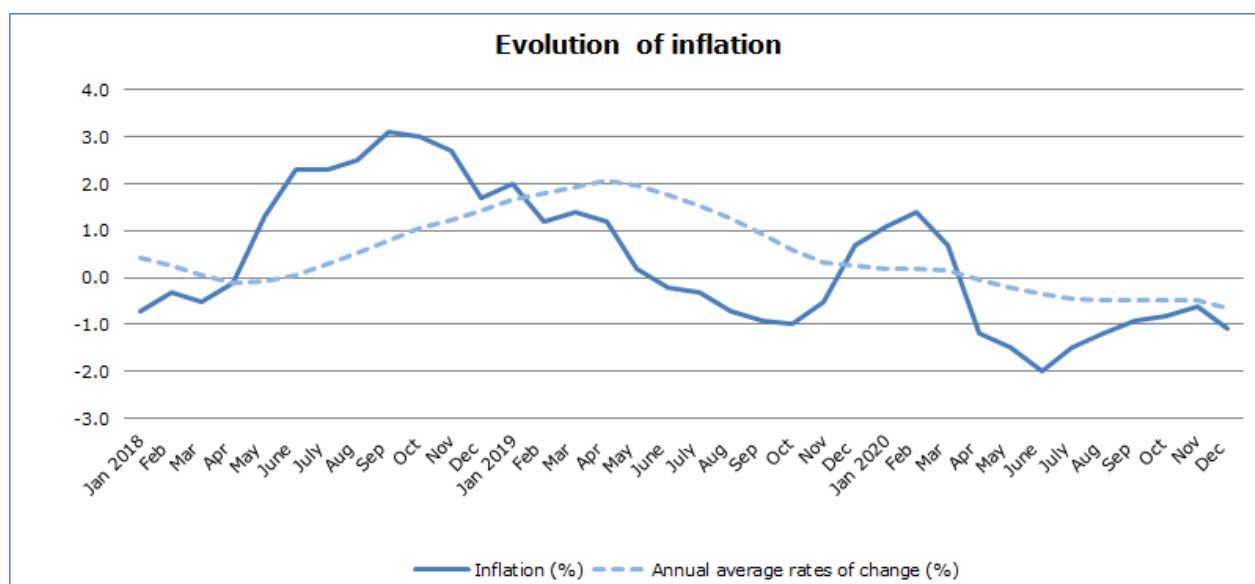
PRESS RELEASE

CONSUMER PRICE INDEX (CPI): DECEMBER 2020

Inflation -1,1%

In December 2020, the Consumer Price Index decreased by 0,71 units and reached 100,27 units compared to 100,98 units in November 2020. Compared to December 2019, the CPI decreased by 1,1%. (Table 1)

For the period January-December 2020, the CPI decreased by 0,6% compared to the corresponding period of the previous year. (Table 1)



As regards the economic origin, the largest changes when compared to the index of December 2019 were recorded in *Electricity* and *Petroleum products* with percentages of -13,9% and -11,3% respectively. In comparison to the index of the previous month, the largest change was monitored in *Agricultural goods* with a percentage of -6,6%. (Table 2)

Analysis of percentage changes

Compared to December 2019, the categories *Housing, water, electricity, gas and other fuels* (-4,8%) and *Transport* (-4,5%) recorded the largest negative changes, whereas the category *Recreation and Culture* had the largest positive change with a percentage of 2,1%. (Table 1)

In comparison to the CPI of the previous month, the largest change was noted in *Food and non-Alcoholic Beverages* (-3,3%). (Table 1)

For the period January–December 2020, compared to the corresponding period of the previous year, the largest change was recorded in *Transport* with a percentage of -4,1%. (Table 1)

Analysis of effects in units

Compared to the Index of December 2019, the categories *Transport* (-0,67) and *Housing, water, electricity, gas and other fuels* (-0,59) had the largest negative effect on the change of the CPI, whereas the category *Recreation and Culture* (0,12) had the largest positive effect. (Table 3)

The category *Food and non-Alcoholic Beverages* (-0,66) had the largest effect on the change of the CPI compared to the previous month. (Table 3)

Petroleum products (-0,96) and *electricity* (-0,53) had the most notable negative effect on the change of the CPI of December 2020 compared to December 2019. (Table 4)

Finally, *fresh vegetables* (-0,58) had the largest effect on the change of the CPI of December 2020 compared to the previous month. (Table 5)

Table 1

Categories of Goods and Services	CPI (2015=100)		Change (%)		
	November 2020	December 2020	Dec 20/ Dec 19	Dec 20/ Nov 20	Jan- Dec 20/ Jan- Dec 19
Food and non-Alcoholic Beverages	104,12	100,64	0,37	-3,34	1,22
Alcoholic Beverages and Tobacco	97,65	97,08	-0,49	-0,58	-0,20
Clothing and Footwear	105,86	104,57	-0,51	-1,22	-0,48
Housing, Water, Electricity, Gas and Other Fuels	104,24	105,20	-4,76	0,92	-3,32
Furnishings, Household Equipment and Routine Maintenance of the House	95,50	95,02	-1,21	-0,50	-0,71
Health	102,09	102,09	0,50	0,00	0,46
Transport	93,06	93,28	-4,48	0,24	-4,11
Communication	94,17	94,15	-0,55	-0,02	0,41
Recreation and Culture	102,05	101,99	2,14	-0,06	1,10
Education	106,76	106,76	-0,03	0,00	1,04
Restaurants and Hotels	105,23	105,20	0,39	-0,03	0,76
Miscellaneous Goods and Services	100,38	99,92	-0,09	-0,46	0,03
General Consumer Price Index	100,98	100,27	-1,14	-0,70	-0,64

Table 2

Economic Origin	Weights	Change (%)	
		Dec 20/ Dec 19	Dec 20/ Nov 20
Agricultural goods	655	0,60	-6,57
Industrial goods (excl. petroleum products)	4195	-0,15	-0,76
Electricity	319	-13,89	2,79
Petroleum products	550	-11,25	0,14
Water	57	-0,77	0,00
Services	4224	0,87	0,10
General Index	10000	-1,14	-0,70

Table 3

Categories of Goods and Services	Weights	Effect (units)	
		Dec 20/ Dec 19	Dec 20/ Nov 20
Food and non-Alcoholic Beverages	1906	0,07	-0,66
Alcoholic Beverages, Tobacco	347	-0,02	-0,02
Clothing and Footwear	721	-0,04	-0,09
Housing, Water, Electricity, Gas and Other Fuels	1119	-0,59	0,11
Furnishings, Household Equipment and Routine Maintenance of the House	644	-0,07	-0,03
Health	637	0,03	0,00
Transport	1524	-0,67	0,03
Communication	439	-0,02	0,00
Recreation and Culture	575	0,12	0,00
Education	392	0,00	0,00
Restaurants and Hotels	836	0,03	0,00
Miscellaneous Goods and Services	860	-0,01	-0,04
General Consumer Price Index	10000	-1,16	-0,71

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 June not add to totals due to rounding error.

Table 4

Goods/Services	Effect (units)
	Dec 20/ Dec 19
Positive effect	
Maintenance and repair of personal transport equipment	0,12
Television subscriptions	0,11
Other goods and services	0,10
Negative effect	
Petroleum products	-0,96
Electricity	-0,53
TOTAL	-1,16

Table 5

Goods/Services	Effect (units)
	Dec 20/ Nov 20
Negative effect	
Fresh vegetables	-0,58
Other goods and services	-0,13
TOTAL	-0,71

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, CYPSTAT 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.

Exceptional Methodological Adjustment

The implementation of precautionary measures and relevant decrees to address the negative consequences of COVID-19 disease had a direct impact on the price collection process of certain goods/services for the month of December 2020. As the problems anticipated were common to all Member States of the European Union they were tackled by applying the same methodologies under the supervision and guidance of the European Statistical Office (Eurostat).

Missing Prices

In cases where products/goods were not available for consumption, the following practices were followed:

- Missing prices were imputed by the price change of other products or services in the same subcategory,

Seasonal Products/Services

The missing airfares along with the missing prices for hotel accommodation were estimated by carrying forward previous' month prices adjusted with the seasonal factor recorded last year, during the respective month.

Weights

The weights of goods and services in the CPI basket have not been adjusted.

Further information:

Statistical Service (CYSTAT) Website, subtheme [Consumer Price Index](#)

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