

INFLATION (CPI)

Consumer price indices have a long history in official statistics. They measure the erosion of living standards through price inflation and are probably one of the best known economic statistics used by the media and general public.

Definition

Consumer price indices (CPI) measure the change in the prices of a basket of goods and services that are typically purchased by specific groups of households. The CPI shown in these tables cover virtually all households except for “institutional” households – people in prisons and

Overview

The annual average inflation rate from 2009-11 has been below 4.5% in all OECD countries except Iceland and Turkey. The CPI for the OECD total dropped from 3.5% in the 3-year average from 2000-02 to 1.8% in the 3-year average from 2009-11. Over the entire period from 2000 to 2011, Japan experienced negative inflation (deflation) while Hungary, Mexico, Turkey, Iceland, the Slovak Republic and Slovenia all experienced periods or years of substantial inflation during this period.

Annual inflation has been higher for countries outside the OECD area presented here in the table, in particular the Russian Federation has only in the last few years recorded inflation rates comparable to other non-member countries.

During the years presented in the table (2000, 2010 and 2011), the main driver of total inflation has been energy prices, which have risen faster than the total consumer price index. Consumer prices for energy have been, however, volatile during the whole period (2000-2011) and have recorded large swings, with spikes in 2000, 2005, and 2011 and sharp decreases in 2002 and 2009. Food prices have risen by less than total consumer prices in 2000 and 2010 but for the most recent period, 2011, they have risen faster. When excluding these more volatile items, the underlying consumer price index (*i.e.* all items excluding food and energy) points to a progressive decline in inflation rates from 2000 to 2010 followed by a slight increase in 2011.

A noticeable long-term trend highlighted in the table has been the convergence of inflation rates for OECD countries over the last decade or so. This is most clearly seen when looking at the two OECD countries that recorded the lowest (Japan) and highest (Turkey) annual inflation rates in both 2000 and 2011: minus 0.7% versus 54.9% and minus 0.3% versus 6.5% respectively.

military barracks, for example – and, in some countries, households in the highest income group.

The CPI for all items excluding food and energy provides a measure of underlying inflation, which is less affected by short-term effects. The index for food covers food and non-alcoholic beverages but excludes purchases in restaurants. The index for energy covers all forms of energy, including fuels for motor vehicles, heating and other household uses.

Comparability

There are a number of differences in the ways that these indices are calculated. The most important ones concern the treatment of dwelling costs, the adjustments made for changes in the quality of goods and services, the frequency with which the basket weights are updated, and the index formulae used. In particular, country methodologies for the treatment of owner-occupied housing vary significantly. The European Harmonised Indices of Consumer Prices (HICP) exclude owner-occupied housing as do national CPIs for Belgium, Chile, Estonia, France, Greece, Italy, Luxembourg, Poland, Portugal, Slovenia, Spain, Turkey, the United Kingdom and most of the countries outside the OECD area. For the United Kingdom, the national CPI is the same as the HICP. The European Union and euro area CPI refer to the HICP published by Eurostat and cover the 27 and 17 countries respectively for the entire period of the time series.

Sources

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Further information

Analytical publications

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Methodological publications

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Websites

- OECD Main Economic Indicators, www.oecd.org/std/mei.



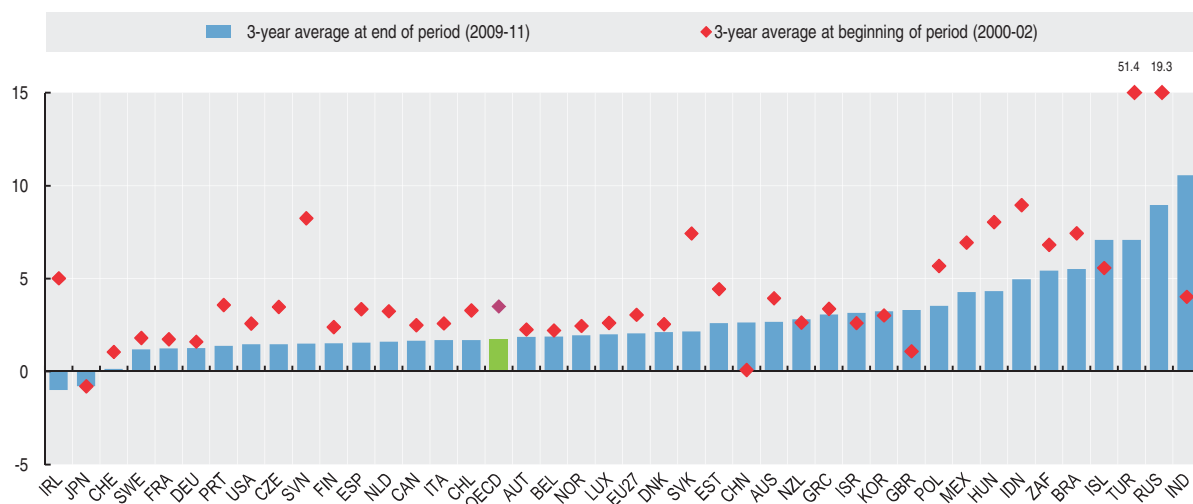
Inflation (CPI)
Annual growth in percentage

	All items			All items non-food, non-energy			Food			Energy		
	2000	2010	2011	2000	2010	2011	2000	2010	2011	2000	2010	2011
Australia	4.5	2.8	3.4	4.3	2.7	2.3	0.5	1.2	5.6	17.2	8.1	11.0
Austria	2.3	1.8	3.3	1.7	1.4	2.3	0.6	0.5	4.3	10.7	7.6	10.9
Belgium	2.5	2.2	3.5	1.5	1.3	1.7	0.9	1.5	2.4	14.3	9.4	16.8
Canada	2.7	1.8	2.9	1.7	1.3	1.4	1.1	0.9	4.2	16.2	6.6	12.3
Chile	3.8	1.4	3.3	3.1	0.5	1.3	1.1	2.2	6.7	22.0	7.1	12.7
Czech Republic	3.9	1.5	1.9	3.5	1.1	0.3	1.1	1.5	4.6	14.2	3.8	6.9
Denmark	2.9	2.3	2.8	2.1	1.9	1.8	2.5	0.4	4.0	11.8	9.0	8.8
Estonia	4.0	3.0	5.0	3.9	0.8	2.3	2.4	3.0	9.7	8.0	12.3	8.2
Finland	3.0	1.2	3.4	2.6	1.2	2.0	1.1	-3.4	6.3	12.6	10.6	14.6
France	1.7	1.5	2.1	0.5	0.9	0.9	2.2	0.8	2.0	12.2	9.6	12.1
Germany	1.4	1.1	2.3	0.8	0.7	1.2	-0.7	1.4	2.9	13.8	4.0	10.0
Greece	3.2	4.7	3.3	2.3	3.3	1.2	1.9	0.1	3.1	17.3	28.8	16.2
Hungary	9.8	4.9	3.9	8.4	3.7	1.0	9.2	2.8	7.2	17.3	10.8	9.0
Iceland	5.1	5.4	4.0	4.7	4.7	2.6	4.1	4.2	3.8	11.9	15.5	17.1
Ireland	5.6	-0.9	2.6	5.6	-1.2	2.0	3.1	-4.6	1.2	13.6	9.6	12.0
Israel	1.1	2.7	3.5	0.4	2.6	3.0	2.3	2.5	3.3	9.5	3.9	8.6
Italy	2.5	1.5	2.8	2.1	1.6	2.0	1.6	0.2	2.5	11.6	3.5	11.3
Japan	-0.7	-0.7	-0.3	-0.5	-1.2	-0.9	-2.3	-0.3	-0.5	3.0	2.7	5.9
Korea	2.3	2.9	4.0	1.8	1.8	2.6	0.9	6.4	8.1	9.6	6.5	9.9
Luxembourg	3.2	2.3	3.4	2.2	1.6	2.3	2.0	0.8	2.6	19.8	9.8	12.7
Mexico	9.5	4.2	3.4	10.4	4.2	3.0	5.4	3.4	4.4	16.8	5.4	5.5
Netherlands	2.3	1.3	2.3	1.9	1.7	1.7	0.2	-0.1	2.2	14.9	-0.3	8.5
New Zealand	2.6	2.3	4.0	2.4	1.9	2.7	1.1	1.0	5.2	11.0	7.0	11.4
Norway	3.1	2.4	1.3	2.5	0.9	2.7	1.9	0.2	-0.1	11.3	15.5	1.6
Poland	9.9	2.6	4.2	9.3	1.6	2.3	9.7	2.8	5.2	13.4	5.8	8.9
Portugal	2.9	1.4	3.7	2.8	0.6	2.4	2.1	-0.2	2.1	5.7	8.9	12.5
Slovak Republic	12.0	1.0	3.9	11.5	2.1	3.2	5.2	1.6	6.1	41.8	-0.2	9.2
Slovenia	8.9	1.8	1.8	7.3	0.2	0.0	-13.8	1.0	4.4	25.2	13.2	8.4
Spain	3.4	1.8	3.2	2.9	0.6	1.3	2.1	-0.8	2.1	13.3	12.5	15.7
Sweden	0.9	1.2	3.0	-0.3	-0.4	2.4	0.0	1.4	1.3	7.2	6.8	6.1
Switzerland	1.6	0.7	0.2	1.2	0.2	0.1	1.6	-1.1	-3.3	18.0	9.2	7.0
Turkey	54.9	8.6	6.5	58.0	7.2	5.9	46.6	10.6	6.2	56.4	10.5	9.9
United Kingdom	0.8	3.3	4.5	0.1	2.9	3.2	-0.5	3.4	5.5	7.1	6.1	12.2
United States	3.4	1.6	3.2	2.4	1.0	1.7	2.2	0.3	4.8	16.9	9.5	15.4
EU 27	3.5	2.1	3.1	1.2	1.3	1.7	3.9	1.1	3.4	12.7	7.2	11.4
OECD	4.0	1.9	2.9	3.5	1.3	1.7	2.4	1.2	3.8	14.6	7.8	12.1
Brazil	7.0	5.0	6.6	..	..	..	5.1	6.1	8.8	..	..	..
China	0.4	3.3	5.4	..	..	..	-2.6	7.2	11.8	..	..	..
India	4.0	12.0	8.9	..	..	..	..	..	..	..	..	..
Indonesia	3.7	5.1	5.4	..	..	..	-4.8	9.4	8.5	..	..	..
Russian Federation	20.8	6.9	8.4	17.8	7.0	10.3
South Africa	5.3	4.1	5.0	..	4.0	3.5	7.8	1.2	7.1	..	15.4	18.9

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CPI: all items

Average annual growth in percentage



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