

CONSUMER PRICES INDICES

Basket, weight and survey updates

Year 2024

As every year, Istat reviews the list of items included in the consumer price index basket and updates as well the survey techniques and the weights of each item to compile inflation.

The changes made in 2024, with reference to both the weights and the basket, reflect the constant evolution of household spending behaviours but also the impact of events which affect purchasing decisions and structure of consumer spending.

The 2024 basket for the Italian consumer price indices for the whole nation (NIC) and for blue and white-collar households (FOI) is made up of 1,915 elementary products (1,885 in 2023), which are grouped into 1,045 products and 425 product aggregates.

The 2024 basket for the Italian harmonized index of consumer prices (HICP) is made up of 1,936 elementary products (they were 1,906 also in 2023), grouped into 1,064 products and 429 product aggregates.

The review of the basket of products takes into account the changes in the household spending patterns (also due to legal provisions) and enriches, in some cases, the range of products representing consolidated consumption.

In 2024, the main products added to the basket to represent the changes in the household spending patterns or to improve the coverage of expenditure aggregates already represented in the basket, are: *Dehumidification and air purification appliance, Smart Bulb, All You Can Eat Meal, Laminate flooring, Kanzi apples, Vittoria grape, Aqua fitness course, Football and five-a-side football course, Tennis and padel course, Artistic-cultural training course, Hair straightener, Electric shaver, Electric under blanket.*

On the other hand, *E-book reader, Health and fitness tracker, Electric hair clipper and Electric beard trimmer* have been removed from the basket.

In total over 33 million price quotations are used each month to estimate Italian inflation. They come from different sources: about 385,000 of them are collected locally by the Municipal Offices of Statistics (MOS) and concern 50.3% of the basket in terms of weight; about 233,000 are collected directly by Istat (25.6% of the basket) and about 33 million come from scanner data (13.6% of the basket). Then, more than 157,000 quotes are collected from automotive fuels prices database of the Ministry of Economic Development (6.2% of the basket). In addition, tobacco prices are collected from Customs and Monopolies Agency for the detection of tobacco (2.0% of the basket) and one million and half house rent prices are provided by the Real Estate Market Observatory of the Tax Office (2.3% of the basket).

Data coming from 79 municipalities are processed to estimate monthly inflation; the coverage of territorial survey, with reference to provincial population, is equal to 83.5%.

An additional group of 12 municipalities participate in the territorial survey with regard to a subset of products (local tariffs and some services) and for this subset, the territorial coverage is up to 90.5%.

In the municipalities, prices are collected for more than 44,000 statistical units (including outlets, enterprises and institutions) and rents are collected for more than 2,800 dwellings for social housing.

Price quotes collected through scanner data come from a sample of about 4,300 outlets including hypermarkets, supermarkets, discounts, small sales areas and specialist drugs, which are representative of the whole Italian national territory and of 19 large retail chains. The weight of scanner data on the NIC basket is 13.6%.

The consumer prices of automotive/motor fuels (petrol, gas oil, LPG and methane) for the whole national territory are collected through the data base of the Ministry of Economic Development. Istat uses information provided by more than 15.300 petrol stations (68.7% of those in the data base).

With regard to expenditure divisions in the updated 2024 NIC basket, the weights for *Restaurants and hotels* and *Transport* increases, while at the opposite the weight for *Furnishings, household equipment and routine household maintenance* and *Housing, water, electricity, gas and other fuels* decreases.

The expenditure division *Food and non-alcoholic beverages* continues to be the most representative in terms of weight (17.19%), followed by *Transport* (14.74%), *Restaurants and hotels* (11.80%) and *Housing, water, electricity, gas and other fuels* (11.26%).

The update of the basket of goods and services for 2024

The 2024 basket for the Italian consumer price index for the whole nation (NIC) and for blue and white-collar households (FOI) is made up of 1,915 elementary products, which are grouped into 1,045 products and into 425 product aggregates (they were 1,885 in 2023, grouped into 1,061 products and 423 product aggregates).

The 2024 basket for the Italian harmonized index of consumer prices (HICP) is made up of 1,936 elementary products, which are grouped into 1,064 products and then into 429 product aggregates (they were 1,906 in 2023, grouped into 1,080 products and 427 product aggregates)¹ (Table 1).

TABLE 1. CLASSIFICATION STRUCTURE FOR NIC AND FOI INDICES. Year 2024

Year 2024
12 expenditure divisions
43 product groups
102 product classes
235 product sub-classes
315 consumption segments
425 product aggregates
1,045 products
1,915 elementary products

As usual, the revisions made to the basket, in 2024, are mainly aimed at capturing the evolution of consumer spending habits, considering that the basket of consumer prices is by now so complete and detailed that the number of products entering and leaving the price collection each year is limited.

As far as products representing the evolution in spending habits in 2024, the following new products are added to the basket (Table 2):

Dehumidification and air purification appliance, Smart Bulb, Laminate flooring, All You Can Eat Meal.

In order to expand the range of items covering expenditure aggregates already represented in the basket of the consumer price indices, the following products are included:

Kanzi apples, Vittoria grape, Aqua fitness course, Football and five-a-side football course, Tennis and padel course, Artistic-cultural training course, Hair straightener, Electric shaver, Electric under blanket.

Starting from January 2024, a further 19 sub-indices (“aggregate of products”) relating to packaged aged cheeses, and fresh fruit and vegetables (only non-seasonal products sold in fixed-weight packages) are collected using scanner data previously collected with the local survey by municipal statistics offices.

On the contrary, *E-book reader, Health and fitness tracker, Electric hair clipper* and *Electric beard trimmer* are dropped from the basket 2024.

¹ The difference between the two baskets is mainly due to two elements: on the one hand in the HICP basket (but not in the NIC/FOI one), contributions to the NHS for pharmaceutical products, specialist practices and services of medical analysis (six items) are included; on the other hand in the NIC/FOI basket (but not in the HICP one), Games of chance are included.

TABLE 2. CONSUMER PRICE INDICES BASKET 2024: NEW PRODUCTS



The weighting structure

The weighting coefficients of indices are determined on the basis of the values of the household final consumption expenditure and of the household final monetary consumption expenditure (for HICP), as derived from National Accounts. Additional information used to define weights is originated from the Household Budget Survey, from other Istat surveys and from external sources, which have an auxiliary function, such as Ac Nielsen, GfK Italia S.r.l. and IQVIA SOLUTIONS ITALY S.r.l..

Since 2021 basket, to take into account the changed consumption expenditure deriving from the health emergency due to Covid-19, for the estimation of the weighting coefficients, it was decided, also in accordance with the guidelines drawn up by Eurostat, to use the most recent National Accounts data available. This choice was confirmed for the 2024 basket as well and therefore the reference expenditures are, for both sources, those relating to 2023. It should be emphasized that, for reasons of timeliness, the weight system used for the preliminary estimate of inflation for January 2024 is calculated on the basis of the National Accounts data available last December, relating to the first three quarters of the year. The extension of the information to cover the entire calendar year, available at the beginning of February 2024, then allowed for a further refinement of the weighting structures when the definitive estimates were released.

Price changes of goods and services included in the basket contribute to the calculation of the All-item index with their own weight in terms of the expenditure share sustained by households to purchase them. However, in order to measure the expenditure shares with reference to the value of the computation base period of indices (December 2023), household final consumption data, are price-updated using the price changes measured between the average of year 2023 and December 2023.

Table 3 shows the 2024 weighting structures by expenditure division of NIC, HICP and FOI indices and their differences. By ordering expenditure divisions according to their relative weights, the three indices, with the exception of *Health*, show relatively small differences. For all the indices, the expenditure divisions with a comparatively higher weight are those of *Food and non-alcoholic beverages*, *Transport*, *Restaurants and hotels*, and *Housing, water, electricity gas and other fuels*².

² In Italy, as in the other European countries for HICP, items in the expenditure division *Housing, water, electricity, gas and other fuels* exclude dwelling purchase, as it is an investment and not a consumer item. This expenditure division includes actual rentals for housing, regarding about 19.6% of

TABLE 3. WEIGHTS USED TO CALCULATE CONSUMER PRICE INDICES BY EXPENDITURE DIVISION

2024, percentage values

EXPENDITURE DIVISIONS	WEIGHTS		
	NIC	HICP	FOI
Food and non-alcoholic beverages	17.1945	18.1801	15.8944
Alcoholic beverages. Tobacco	2.9033	3.071	3.1463
Clothing and footwear	5.9553	6.8113	6.3895
Housing, water, electricity, gas and other fuels	11.255	11.9033	11.3964
Furnishings, household equipment and routine household maintenance	6.9621	7.3907	6.9724
Health	8.2746	4.1976	7.0089
Transport	14.7401	15.5471	16.4576
Communication	2.1835	2.3103	2.5902
Recreation and culture	8.1071	6.8446	8.4301
Education	0.8932	0.945	1.1058
Restaurants and hotels	11.795	12.4756	11.3416
Miscellaneous goods and services	9.7363	10.3234	9.2668
ALL ITEMS	100.0000	100.0000	100.0000

The differences among the weighting structures of NIC, FOI and HICP indices are largely due to the different definition of the reference economic aggregate for the three indices. This issue has relevant consequences for determining the weight of the expenditure division *Health* and in particular the weight of pharmaceutical products. The NIC and FOI indices include expenditure incurred by public administration for the household consumption of pharmaceutical products and health services, whereas this expenditure is excluded from the calculation of the HICP. Therefore, the weight of *Health* in the basket of the harmonised index of consumer prices (4.20%) is significantly lower than the weight calculated for the national indices (8.27%).

With regard to changes in the weighting structure of the NIC index between 2023 and 2024, the highest increase in absolute terms concerns the expenditure division *Restaurants and hotels* (+1.1164 percentage points), due to both the "spending effect" and the "revaluation effect". The increase in the weight of *Transport* (+0.6745) and *Miscellaneous goods and services* (+0.4706) is determined, in both cases, mainly to the "revaluation effect" (Table 4), as well as the growth of *Recreation and culture* (+0.2264 percentage points). A lower increase is registered by the weight of *Food and non-alcoholic beverages* (+0.0920) largely determined by the "revaluation effect".

Looking at the expenditure divisions with reduced weight in the 2024 NIC basket, the largest decrease concerns the weight of *Housing, water, electricity, gas and other fuels* (-0.8737 percentage points) entirely due to the "revaluation effect" partly mitigated by "spending effect". The decline in the weights of *Furnishings, household equipment and routine household maintenance* (-0.7366 percentage points) is mainly affected by the "spending effect", partly mitigated by "revaluation effect" and also that of *Clothing and footwear* (-0.4818) and of *Communication* (-0.1571) are entirely due to the "spending effect". The weights of *Alcoholic beverages, tobacco*, *Health* and *Education* are also decreasing, but to a more limited extent (-0.0842, -0.0538 and -0.0203 respectively), largely affected by the reduction of expenditures.

TABLE 4. NIC INDEX: WEIGHTING STRUCTURE BY EXPENDITURE DIVISION

2023 and 2024, percentage values and absolute differences

EXPENDITURE DIVISIONS	2023	2024	Absolute difference	Spending effect	Revaluation effect
Food and non-alcoholic beverages	17.1025	17.1945	0.0920	0.0139	0.0781
Alcoholic beverages, tobacco	2.9875	2.9033	-0.0842	-0.1920	0.1078
Clothing and footwear	6.4371	5.9553	-0.4818	-0.7069	0.2251
Housing, water, electricity, gas and other fuels	12.1287	11.2550	-0.8737	1.3934	-2.2671
Furnishings, household equipment and routine household maintenance	7.6987	6.9621	-0.7366	-0.8483	0.1117
Health	8.3284	8.2746	-0.0538	-0.4335	0.3797
Transport	14.0656	14.7401	0.6745	0.1721	0.5024
Communication	2.3406	2.1835	-0.1571	-0.2072	0.0501
Recreation and culture	7.8807	8.1071	0.2264	0.0448	0.1816
Education	0.9135	0.8932	-0.0203	-0.0675	0.0472
Restaurants and hotels	10.6786	11.7950	1.1164	0.8849	0.2315
Miscellaneous goods and services	9.2657	9.7363	0.4706	0.1194	0.3512
ALL ITEMS	100.0000	100.0000			

Looking at the classification by type of products (Table 5), concerning goods, in 2024 the weight of *Energy* increases (10.36%, from 10.09% in 2023) due to the component of Non-regulated energy products on which the “expenditure” have a decisive impact, partly mitigated by the “revaluation effect”.

As for the other typologies of goods: *Food including alcohol* (18.14%) it is essentially stable in the weights as result of the decline of *Processed food including alcohol* and the increase of *Unprocessed food*; *Tobacco* records a slight increase in the weight (1.96% from 1.95%) mainly caused by the “revaluation effect”; finally, *Non-energy industrial goods* decreases (26.15% from 27.43%) as a result of the decline in the weights of *Durable goods* and *Semi-durable goods*.

As for services, the increase in the weight of *Services related to recreation, including repair and personal care* (16.63% from 15.60%) and of *Services related to transport* (7.58%, from 6.58%), is due to the rise of both the “spending effect” and the “revaluation effect”.

At the opposite, there is a decrease in the weights of *Services related to housing* (6.61% from 7.39%), *Services related to communication* (1.43% from 1.57%) and *Services–miscellaneous* (11.16% from 11.24), that is due to the decline of expenditure.

In 2024, the weight of all item index excluding energy and unprocessed food (Core inflation) registers a decline (82.88% from 83.26%).

TABLE 5. NIC INDEX: WEIGHTING STRUCTURE BY TYPE OF PRODUCT
2023 and 2024, percentage values and absolute differences

SPECIAL AGGREGATES	2023	2024	Absolute difference	Spending effect	Revaluation effect
Food including alcohol:	18.1442	18.1373	-0.0069	-0.1031	0.0962
Processed food including alcohol	11.4951	11.3744	-0.1207	0.0039	-0.1246
Unprocessed food	6.6491	6.7629	0.1138	-0.1070	0.2208
Energy:	10.0949	10.3568	0.2619	2.5735	-2.3116
Regulated energy products	1.7949	0.8816	-0.9133	-0.6453	-0.2680
Non-regulated energy products	8.3000	9.4752	1.1752	3.2188	-2.0436
Tobacco	1.9458	1.9605	0.0147	-0.0750	0.0897
Non energy industrial goods:	27.4337	26.1476	-1.2861	-1.9041	0.6180
Durable goods	10.4401	9.3983	-1.0418	-1.1651	0.1233
Non-durable goods	6.9611	6.8770	-0.0841	-0.2090	0.1249
Semi-durable goods	10.0325	9.8723	-0.1602	-0.5300	0.3698
Goods	57.6186	56.6022	-1.0164	0.4913	-1.5077
Services related to housing	7.3873	6.6067	-0.7806	-1.1314	0.3508
Services related to communication	1.5699	1.4300	-0.1399	-0.1990	0.0591
Services related to recreation, including repair and personal care	15.5995	16.6292	1.0297	0.6589	0.3708
Services related to transport	6.5828	7.5750	0.9922	0.7469	0.2453
Services – miscellaneous	11.2419	11.1569	-0.0850	-0.5667	0.4817
Services	42.3814	43.3978	1.0164	-0.4913	1.5077
ALL ITEMS	100.0000	100.0000			
All items excluding energy and unprocessed food (Core inflation)	83.2560	82.8803	-0.3757	-2.4665	2.0908
All items excluding energy, food, alcohol and tobacco	69.8151	69.5454	-0.2697	-2.3954	2.1257
All items excluding energy	89.9051	89.6432	-0.2619	-2.5735	2.3116
Grocery and unprocessed food	20.7578	20.6745	-0.0833	-0.1645	0.0812

With regard to regulated and non-regulated products, the weight of *Regulated goods* declines (3.03 from 3.92%) whereas increases that of *Regulated services* (5.27% from 5.15%) (Table 6)

TABLE 6. NIC INDEX: WEIGHTING STRUCTURE BY REGULATED AND NON-REGULATED PRODUCTS
2023 and 2024, percentage values and absolute differences

REGULATED AND NON-REGULATED PRODUCTS	2023	2024	Absolute difference
Non-regulated goods	53.6943	53.5717	-0.1226
Regulated goods	3.9243	3.0305	-0.8938
Goods	57.6186	56.6022	-1.0164
Non-regulated services	37.2279	38.1271	0.8992
Regulated services	5.1535	5.2707	0.1172
Services	42.3814	43.3978	1.0164
ALL ITEMS	100.0000	100.0000	

Finally, concerning products by purchase frequency (Table 7), the weights of *High-frequency* and *Medium-frequency purchases* increase, while the weights of *Low-frequency purchases* show a decrease.

TABLE 7. NIC INDEX: WEIGHTING STRUCTURE BY PURCHASE FREQUENCY

2023 and 2024, percentage values and absolute differences

PURCHASE FREQUENCY	2023	2024	Absolute difference
High-frequency purchases	40,0828	40,3639	0,2811
Medium-frequency purchases	40,1642	40,6095	0,4453
Low-frequency purchases	19,7530	19,0266	-0,7264
ALL ITEMS	100.0000	100.0000	

Geographical basis and coverage rate

In 2024, the geographical basis of the survey is made up of 79 municipalities, which contribute to the indices calculation of all the product aggregates included in the basket. Other 12 municipalities³ participate in the survey for a subset of products which includes local tariffs (water supply, solid waste, sewerage collection, urban transport, taxi, car transfer ownership, canteens in schools, public day nursery, etc.) and some local services (sport events, cinemas, theatre shows, secondary school education, canteens in universities, etc.).

For the whole basket, the coverage of the index in terms of resident population in the provinces, whose chief towns take part in the survey, is 83.5%. The participation of provincial chief towns is total for six regions (Valle D'Aosta, Trentino-Alto Adige, Veneto, Friuli-Venezia Giulia, Emilia-Romagna and Umbria) but it is still incomplete for the others, in particular in Abruzzo (48.1%), Sardinia (56.7%) and Puglia (55.3%).

At the macro-area level, coverage is total in the North-East, it is equal to 88.0% in the North-West, 83.3% in the Centre, 69.9% in the South and 75.5% in the Islands.

Concerning the basket subset including local tariffs and some local services - whose weight on the NIC basket is equal to 3.0% - taking into account the participation of the other 12 municipalities, the coverage of the survey, in terms of provincial resident population, rises to 90.5%. The participation becomes total for 10 regions, increase in Puglia (from 56.3% to 70.5% for the entrance to the municipality of Taranto), decrease in Sicily (from 88.2% to 83.0%, for the exit of Caltanissetta) and it is stable in the others.

Price data sources and survey methods

Data contributing to the calculation of monthly consumer price indices are traditionally collected using different sources: the *local survey*, carried out by municipal statistics offices, under Istat supervision and coordination; the *central survey* carried out directly by Istat or through different data providers; the *scanner data*; the *administrative sources*.

In 2024, the weight of the products exclusively collected through the local survey is equal to 50.3% and that of products collected through the central survey is 25.6%. In addition to these two ways, the acquisition of elementary prices (for grocery products) is carried out through scanner data with regard to the large scale retail trade distribution channels that are hypermarkets, supermarkets, discounts, small sales areas and specialist drug (for 13.6% in terms of weight), where traditional data collection is no longer carried out. Finally, administrative sources are used: the database of fuel prices of Ministry of Economic Development whose weight is equal to 6.2%; the data provided by the Real Estate Market Observatory of the Tax Office for the survey of the prices of real rentals for private dwellings which weighs 2.3% and the Excise, Customs and Monopolies Agency for the survey on tobacco products, which accounts for 2.0% of the basket.

³ Asti, Chieti, Foggia, Frosinone, l'Aquila, Matera, Monza, Prato, Ragusa, Savona, Verbania and Vibo Valentia.

Local survey

In the 91 municipalities (79 for the full basket and 12 for a subset of products) taking part in the 2024 survey, prices are collected for more than 44,000 statistical units (including outlets, enterprises and institutions) and rents are collected for more than 2,800 dwellings for social housing. About 385,000 price quotes are sent by Municipal Offices of Statistics to Istat each month (398,000 in 2023).

Following the annual update of the municipal survey plans, 5.4% of the current price quotes are new (10.2% in 2023): of these 1.6% are price quotes of new products, while the remaining 3.8% refers to products already in 2023 basket.

Central survey

In 2024, prices/quotes collected each month directly by Istat are almost 233,000, to which are added 80 millions of prices used, collected through scraping techniques relating to passenger air transport. For the first group: the price information are collected through the web also by web scraping procedures price information is obtained via the web, also with the use of web scraping procedures or collecting data from different providers. The main data providers for for the central price data collection are the following:

- ▶ Institute for the Supervision of Insurance (Ivass) for car insurances;
- ▶ National association of builders (ANCE) for carpenters' and painters' services;
- ▶ Italian Association of Concessionaries Highways and Tunnels (Aiscat), SPN and ASTM for motorway tolls;
- ▶ Farmadati and IQVIA, for pharmaceutical products;
- ▶ Italian Association of Publishers (AIE), for prices of school books;
- ▶ Specialized magazine "Quattroruote" for prices quotes of cars and second hand cars;
- ▶ Sanguinetti Editore, for prices of cars, motorcycles and motorbikes, caravans and motorhomes;
- ▶ GfK Italia S.r.l., for information on a large sub-set of technical consumer goods;
- ▶ Portal offers, public website created and managed by *Acquirente Unico*, in accordance with the procedures established by the Regulatory Authority for Energy Networks and Environment (ARERA), for the collection of offers of electricity and natural gas free market;
- ▶ Regulatory Authority for Energy Networks and Environment (ARERA), for the collection of offers of electricity and natural gas regulated market;
- ✓ about 400 quotes directly provided by insurance companies which refer to protection against most risks connected to property, such as fire, theft and other damages and are used for the Housing insurance services price index compilation.
- ✓ around 1500 collected using internal sources.

Scanner data

Since 2018, Istat has been using scanner data of grocery products (excluding fresh food) in the production process of the consumer price indices.

A probabilistic sampling is used for the selection of outlets and the dynamic approach has been implemented to the selection of the elementary items.

At present, scanner data feed the calculation of 1053 sub-indices ("aggregate of products") belonging to six ECOICOP Divisions (01, 02, 05, 06, 09, 12).

In agreement with large scale retail trade chains (RTCs) and with the fruitful collaboration of the Association of Modern Distribution and Nielsen, Istat receives scanner data for 4,311 outlets, including 478 hypermarkets, 1,621 supermarkets, 588 discounts, 1,088 outlets with surface between 100 and 400 s.m. and 536 specialist drug. These outlets belong to the main 19 RTCs and they cover the entire national territory. Istat receives scanner data on a weekly basis at item code level. The sample of outlets is stratified by provinces (107) and retail trade channels (5).

More than 20 million price quotes are collected each week to estimate inflation. For each barcode (GTIN), prices are calculated taking into account turnover and quantities (weekly price=weekly turnover/weekly quantities). Monthly prices are calculated as the arithmetic mean of weekly prices weighted with quantities.

Concerning the selection of the sample of items, a dynamic approach has been adopted. Specifically, in each month a sample of GTINs is selected within each outlet and ECR⁴ market (representative of elementary aggregates). A set of filters have been implemented to select the matched sample each month comparing the current month with the preceding month. In January, the sample includes more than 12 million references thereof about 33 million elementary prices enter the indices compilation.

Scanner data indices of ECR market are calculated at outlet level as unweighted Jevons index (geometric mean) of GTINs elementary indices. The ECR market indices are then linked to the base period (December of the previous year). In turn, provincial indices of ECR market are calculated as the weighted arithmetic means using sampling weights of outlets and turnover by retail trade channel. Finally, provincial indices of aggregate of products are calculated as the weighted arithmetic mean of ECR markets using expenditure shares (referred to one year before) for the weights.

Administrative sources

The administrative data sources for the calculation of consumer prices are several. Among these are those relating to tobacco whose data are provided by the Excise, Customs and Monopolies Agency (ADM). The indices calculated relate to three products: Cigarettes, Cigars and cigarillos and Other tobacco (shredded for cigarettes, snuff and chewing tobacco, other smoking tobacco, inhalation tobacco). The sample and the weighting system are obtained on the basis of the annual sales value of the main manufactured tobacco products on the market.

Starting from 2017 also the automotive fuels price indices are calculated from administrative data using the database supplied by the Ministry of Economic Development that collects prices for these products. In 2024, around more than 157,500 price quotes are monthly used to estimate inflation and they come from more than 15,300 fuel stations on the territory that is 68,7% of the ones present in Ministry database.

The sample of fuel stations covers the geographical areas of country. Specifically: more than 3,600 are located in the North-West; almost 3,200 in the North-East, almost 3,400 in the Centre; almost 3,500 in the South and around 1,650 in the Islands.

Starting from 2022 the estimation of private housing rents index is based on administrative data in particular rents contracts database provided by the Real Estate Market Observatory of the Tax Office. The production of the indices benefits from the collaboration of the Central Directorate for Real Estate Market Observatory and Estimating Services (OMISE) of the Tax Office. The new data source contains information about rents contracts registered in the reference period (starting from January 2022 data are released with both quarterly and monthly frequency). Only contracts where the property owner is a person and referring to some cadastral categories (civil properties, economic properties and popular properties) are used for inflation estimation. Stratification has been carried out for index calculation. In particular, dwellings have been stratified according to:

- the position in terms of OMI zones distinguishing between urban macro area if existing or, alternatively, to groups of zones;
- the type of the contract (free or agreed fee contract) and the duration (long or short term contract);
- the surface classes.

After data cleaning and integration more than one and a half million rents are available for monthly estimation; part of them refers to contracts to be updated according to the consumer prices for blue and white-collar worker households index (FOI).

⁴ ECR markets are the lowest level of the ECR classification (classification shared by industrial and distribution companies) and they have been linked to the aggregates of product of ECOICOP classification.

The methodology used for calculation is the same as the methodology used for other products in the basket but the set of internal weights is constructed in a different way. In particular:

- the product aggregate index of the provincial capital city is calculated as the weighted arithmetic means of strata calculated for the provincial capital city and for the non-capital municipalities belonging to the provincial capital (these are 151 non-capital municipalities selected so as to ensure an adequate number of observations per month); the weights of the strata are calculated on the basis of administrative data and are updated on an annual basis; the aggregate product index in the region is calculated as the arithmetic means of the indices of the capital city of the region weighted on the bases of the population living in rented houses.

Focus

Electricity and Gas data collection

In 2024 the protection service ends, in January for natural gas and in July for the electricity, the domestic customers who until then had purchased supply services on the protection market, i.e. under the economic and contractual conditions established by the Italian Regulatory Authority for Energy, Networks and Environment (ARERA), will necessarily have to move to the free market.

In fact, starting from these dates, the protection service remains only for vulnerable customers (elderly, people in economic difficulty or with disabilities).

To take into account the impact of these changes, Istat has introduced specific indicators, as part of the survey on consumer prices, to estimate the price development for non-vulnerable families that during the year have to move to the free market.

In particular, in the subclass "Town gas and natural gas", divided into two different consumption segments both centrally observed by Istat, the Town gas and natural gas - regulated market from January 2024 refers only to vulnerable customers, and the tariffs are updated according to the information published by ARERA. The segment "Town gas and natural gas - liberalized market" that monitor the trend of free market prices, in addition to the two products introduced in 2022, includes two new products representative of non-vulnerable customers, who in December 2023 did not have still chosen a free market offer.

The class "Electricity", whose survey is carried out centrally by Istat, is enriched by a new consumption segment "Electricity - transition market", which will join the two already present in the basket: "Electricity - regulated market" and "Electricity - liberalized market". The new consumption segment measures the evolution of spending (at constant consumption) of non-vulnerable customers who in December 2023 had not yet chosen a free market offer and who will therefore have to make the transition by June 2024. Therefore, in the first six months of the year, the dynamics of this indicator will continue to be influenced by the change in tariffs in force in the protected market, from July it will instead show the change in spending that families in transition make on the free market.

[For more details please refer to the Italian version](#)



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For technical and methodological information

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