

Inflation measures for population subgroups

I - II quarter 2015

In the first half of 2015, Italian inflation continued to remain at low level across distinct population subgroups defined according to the consumption expenditure level.

However, in the second quarter of the year weak signals of an inflation upturn emerged, when in particular the rates of change on annual basis of the consumer price indices of two of the households' subgroups ceased to be in deflation as in the first quarter.

Specifically, in the second quarter of 2015, inflation rates, measured by Harmonized Index of Consumer Prices (HICP) for population subgroups, varied in a range between -0.2% of the first subgroup (i.e. the 20% of those with the lowest equivalent expenditure) and 0.3% of the last subgroup (the 20% of population with the highest equivalent expenditure). In the same period, headline inflation, as measured by HICP was 0.1% (Table 1 and Figure 1).

For the households with the lower level of expenditure, deflation became weaker (-0.2% as compared to -0.6% in the first quarter of the year). This dynamics was mainly due to the enduring (even though weakened) tendency of Energy prices to decline, whose weight on the budget of the households with the lowest level of expenditure is more than twice with respect to the households with the highest level of expenditure.

Concerning the last population subgroup, in the second quarter of 2015 inflation rates showed an increase to 0.3% from 0.2% of the previous quarter, as a result, mainly, of the evolution of the prices of Non-energy industrial goods and of Services related to recreation, including repairs and personal care.

In more details, in the second quarter 2015, for households with lower spending power the higher negative contribution to the inflation rate derived from the prices of Energy (-0.801 percentage points), and, to a lesser extent, from the prices of Services related to housing (-0.067 percentage points) (Figure 2). The greater positive contributions arise from the prices of Food (0.280 and 0.199 percentage points for unprocessed and processed food, respectively) and Non-energy industrial goods (0.191 percentage points).

For households with more spending power the highest positive contribution to the inflation rate was due to prices of Non-energy industrial goods (0.256 percentage points), followed by prices of Services relating to recreation, including repair and personal care (0.197 percentage points). Negative contributions derived from the prices of Energy (-0.403 percentage points) and Services related to communication (-0.066 tenths of a point).

Overall, in the period between 2005 and the first half of 2015, the Italian HICP for the households with the lowest level of expenditure increased by 21.6%, compared to 18.3%, observed for the households with the highest level of expenditure, and to 19.3%, observed for the whole population.

As for the HICP referred to the population as a whole, the weights for the compilation of the indices for population subgroups, as every year, have been updated. As compared to 2014, in 2015 the weights of Energy and of Services exhibited a moderate increase for all the subgroups of households, against a generalized decline of the weights of Food.

HARMONIZED INDICES OF CONSUMER PRICES FOR POPULATION SUBGROUPS. YEARS 2014-2015, annual rates of change (percentage)

All-items	2014	2014		2015	
		Q3	Q4	Q1	Q2
1 st group	0.0	-0.5	-0.2	-0.6	-0.2
2 nd group	0.0	-0.4	-0.1	-0.4	-0.1
3 rd group	0.1	-0.3	0.0	-0.4	0.1
4 th group	0.2	-0.1	0.1	-0.3	0.0
5 th group	0.4	0.1	0.3	0.2	0.3
HICP	0.2	-0.1	0.1	-0.1	0.1

FIGURE 1 – HARMONIZED INDICES OF CONSUMER PRICES FOR POPULATION SUBGROUPS. YEARS 2010-2015, annual rates of change (percentage)

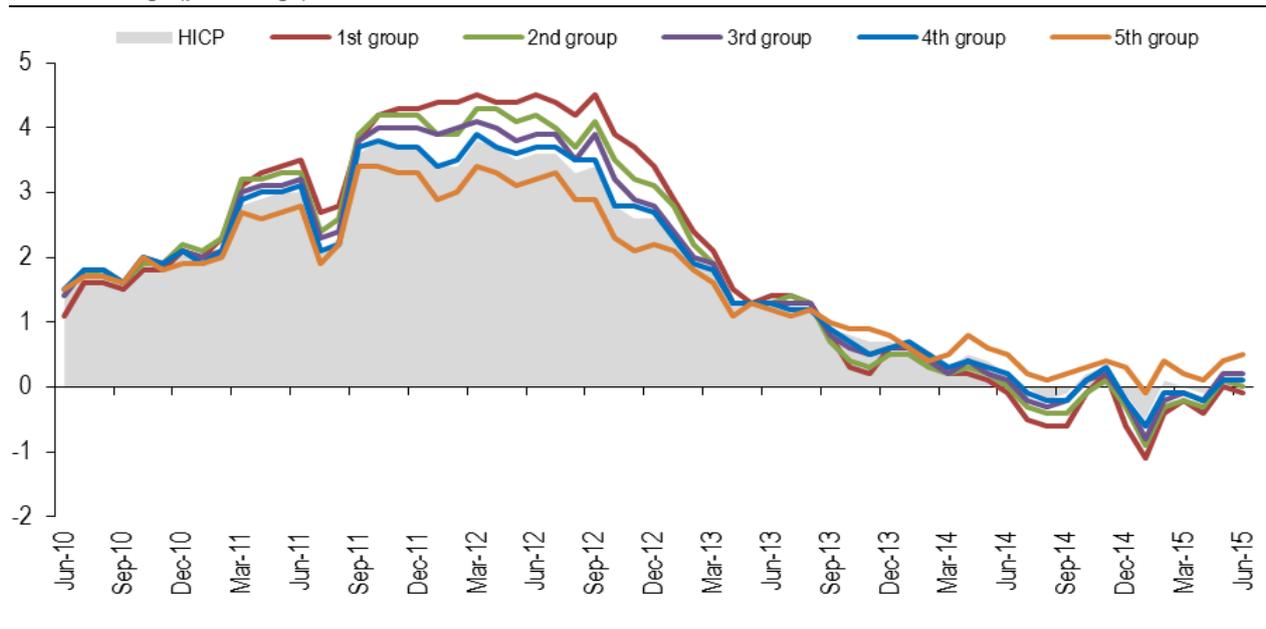


FIGURE 2. CONTRIBUTIONS OF SPECIAL AGGREGATES ON THE ANNUAL RATES OF HARMONIZED INDICES OF CONSUMER PRICES FOR THE 1ST AND THE 5TH POPULATION SUBGROUPS. II QUARTER 2015, absolute values

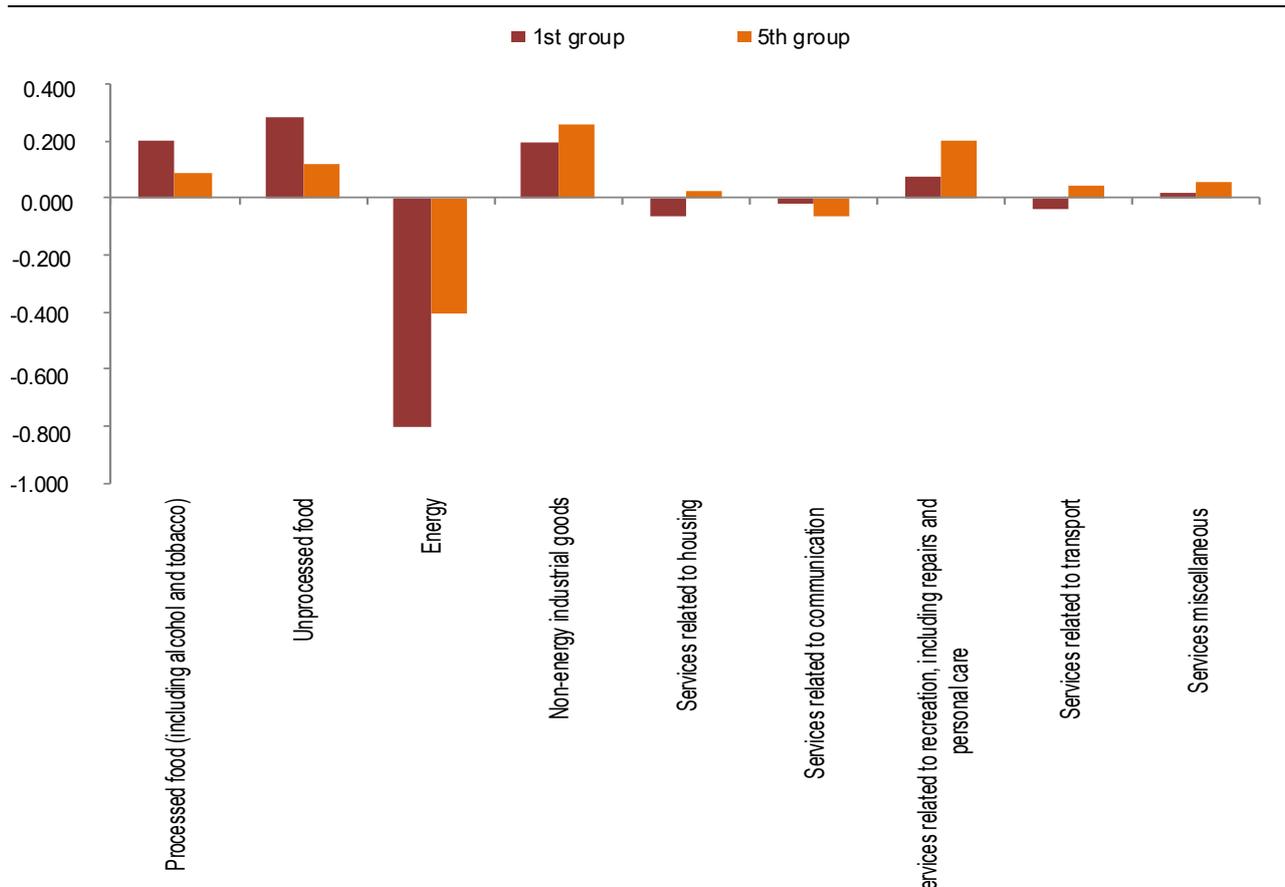


TABLE 1 – HARMONIZED INDICES OF CONSUMER PRICES FOR POPULATION SUBGROUPS. YEARS 2014-2015, annual rates of change (percentage) (a)

	weights	2014				2015	
		Q1	Q2	Q3	Q4	Q1	Q2
All-items							
1°group	1,000,000	0.4	0.1	-0.5	-0.2	-0.6	-0.2
2°group	1,000,000	0.3	0.2	-0.4	-0.1	-0.4	-0.1
3°group	1,000,000	0.4	0.2	-0.3	0.0	-0.4	0.1
4°group	1,000,000	0.5	0.3	-0.1	0.1	-0.3	0.0
5°group	1,000,000	0.5	0.6	0.1	0.3	0.2	0.3
HICP	1,000,000	0.5	0.4	-0.1	0.1	-0.1	0.1
Goods							
1°group	693,861	0.1	-0.3	-0.8	-0.5	-0.8	-0.2
2°group	637,095	-0.1	-0.2	-0.7	-0.5	-0.9	-0.2
3°group	596,828	-0.1	-0.2	-0.7	-0.5	-0.9	-0.2
4°group	545,348	0.0	-0.2	-0.6	-0.5	-0.9	-0.2
5°group	515,850	0.0	0.3	-0.3	-0.1	-0.2	0.1
HICP	564,467	0.0	-0.1	-0.6	-0.3	-0.6	-0.1
Processed food (including alcohol and tobacco)							
1°group	203,825	1.0	0.6	0.3	0.1	0.6	1.0
2°group	167,253	1.0	0.6	0.3	0.0	0.6	1.0
3°group	145,198	1.0	0.6	0.3	0.0	0.7	1.1
4°group	118,531	1.0	0.5	0.3	0.0	0.7	1.1
5°group	78,158	1.1	0.7	0.3	0.0	0.7	1.1
HICP	119,118	1.1	0.6	0.3	0.1	0.7	1.1
Unprocessed food							
1°group	161,827	0.3	-1.5	-1.7	-0.2	0.9	1.7
2°group	129,342	0.3	-1.5	-1.6	-0.1	1.0	1.9
3°group	111,519	0.3	-1.5	-1.5	-0.1	1.1	2.0
4°group	90,984	0.3	-1.5	-1.5	-0.1	1.2	2.0
5°group	58,157	0.3	-1.6	-1.5	0.1	1.4	2.0
HICP	91,221	0.3	-1.5	-1.5	0.0	1.1	1.9
Energy							
1°group	164,684	-2.6	-1.6	-3.6	-2.8	-6.9	-5.1
2°group	136,846	-2.9	-1.8	-3.7	-3.3	-7.7	-5.7
3°group	114,467	-3.1	-1.8	-3.7	-3.6	-8.2	-6.1
4°group	98,290	-3.2	-1.9	-3.7	-3.8	-8.5	-6.3
5°group	70,790	-3.0	-1.7	-3.5	-3.6	-8.2	-6.1
HICP	99,620	-3.0	-1.8	-3.7	-3.5	-8.0	-6.0
Non-energy industrial goods							
1°group	163,525	1.2	0.9	0.9	0.7	0.6	1.1
2°group	203,654	0.9	0.7	0.6	0.4	0.2	0.9
3°group	225,644	0.7	0.7	0.4	0.3	0.1	0.8
4°group	237,543	0.6	0.6	0.3	0.3	0.2	0.7
5°group	308,745	0.3	0.8	0.3	0.5	0.6	0.8
HICP	254,508	0.5	0.8	0.4	0.5	0.4	0.8

	weights	2014				2015	
		Q1	Q2	Q3	Q4	Q1	Q2
Services							
1°group	306,139	1.0	0.9	0.1	0.6	0.1	-0.1
2°group	362,905	1.0	0.7	0.2	0.7	0.3	0.3
3°group	403,172	1.1	1.0	0.3	0.8	0.5	0.3
4°group	454,652	1.0	0.9	0.3	0.8	0.5	0.3
5°group	484,150	1.1	1.0	0.6	0.8	0.6	0.5
HICP	435,533	1.1	1.0	0.4	0.8	0.5	0.4
Services related to housing							
1°group	85,697	5.1	5.0	3.1	1.3	-0.5	-0.5
2°group	87,175	3.8	3.7	2.2	1.1	-0.3	-0.3
3°group	82,009	3.5	3.4	2.3	1.2	-0.1	-0.2
4°group	85,451	2.9	2.9	2.0	1.1	0.1	0.0
5°group	86,416	2.4	2.3	1.8	1.1	0.4	0.2
HICP	85,481	3.1	3.0	2.1	1.1	0.1	-0.1
Services related to communication							
1°group	44,181	-6.6	-7.5	-7.2	-1.1	0.1	-0.4
2°group	36,824	-7.4	-8.2	-8.1	-2.2	-0.8	-1.5
3°group	29,987	-7.6	-8.3	-8.2	-2.1	-0.8	-1.5
4°group	26,936	-8.6	-9.1	-9.2	-3.2	-1.6	-2.6
5°group	19,820	-9.3	-9.7	-9.8	-4.0	-2.3	-3.5
HICP	27,079	-8.2	-8.8	-8.7	-2.9	-1.3	-2.1
Services related to recreation, including repairs and personal care							
1°group	82,750	1.2	1.4	1.1	0.9	0.9	0.9
2°group	123,728	1.3	1.0	0.6	0.8	0.8	1.2
3°group	153,308	1.1	1.2	0.8	0.9	0.8	1.0
4°group	173,574	1.1	1.1	0.6	0.9	0.8	1.0
5°group	183,952	1.0	1.1	0.6	0.9	0.6	1.0
HICP	161,508	1.1	1.1	0.6	0.9	0.7	1.1
Services related to transport							
1°group	54,768	0.2	-0.1	-0.9	-0.1	0.1	-0.7
2°group	65,052	1.0	0.7	0.0	0.5	0.4	-0.3
3°group	74,256	1.4	1.0	0.2	0.7	0.5	-0.1
4°group	88,976	1.7	1.2	0.2	1.0	0.6	0.1
5°group	96,111	1.7	1.6	1.2	1.0	1.1	0.4
HICP	83,871	1.5	1.3	0.6	0.9	0.8	0.1
Services miscellaneous							
1°group	38,743	1.4	1.4	1.2	1.0	0.6	0.6
2°group	50,126	1.4	1.5	1.2	1.1	0.7	0.7
3°group	63,612	1.5	1.5	1.3	1.1	0.6	0.6
4°group	79,715	1.4	1.4	1.3	1.1	0.7	0.7
5°group	97,851	1.4	1.4	1.3	1.1	0.6	0.6
HICP	77,594	1.4	1.4	1.3	1.1	0.6	0.6

(a) Back series starting from 2005 are published on I.Stat, the warehouse of statistics produced by ISTAT, inside the theme Prices, sub-theme Consumer Prices (<http://dati.istat.it>).

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