

Retail Price Index (RPI): January 2024

NR 038/2024 Release Date: 27 February 2024

In January 2024, the annual rate of inflation as measured by the RPI was 3.2 per cent, down from 3.6 per cent in December 2023.



Price changes and effects on inflation

The highest annual inflation rates in January 2024 were registered in Food (9.1 per cent) and Other goods and services (5.6 per cent). On the other hand, the lowest annual inflation rates were registered in Transport and communication (-1.6 per cent) and Clothing and footwear (-0.5 per cent) (Table 1).

Chart 1. Inflation rates

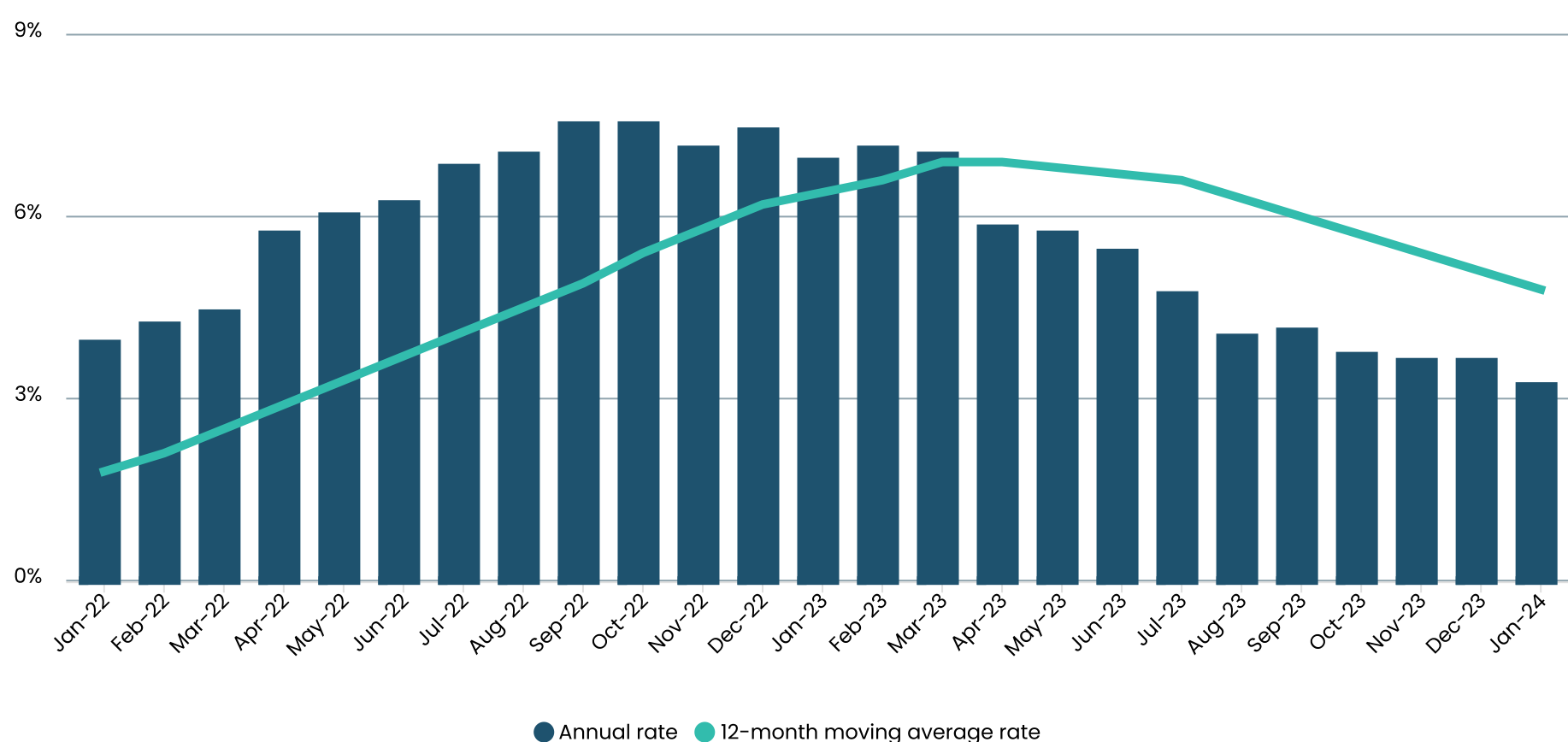
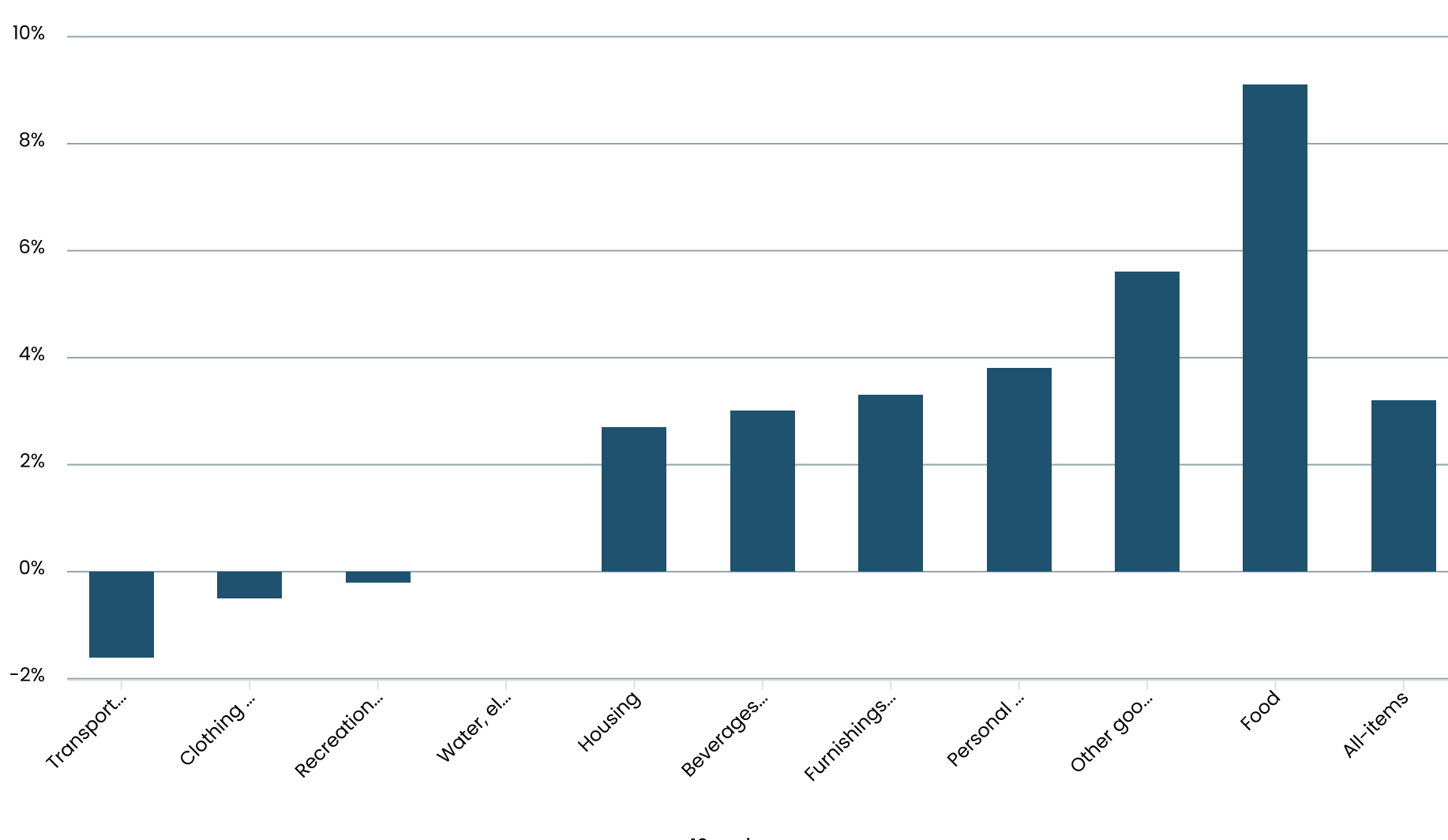


Chart 2. Annual inflation rates by the 10 main groups

January 2024



Note: The Food Index includes restaurant services and take-aways.

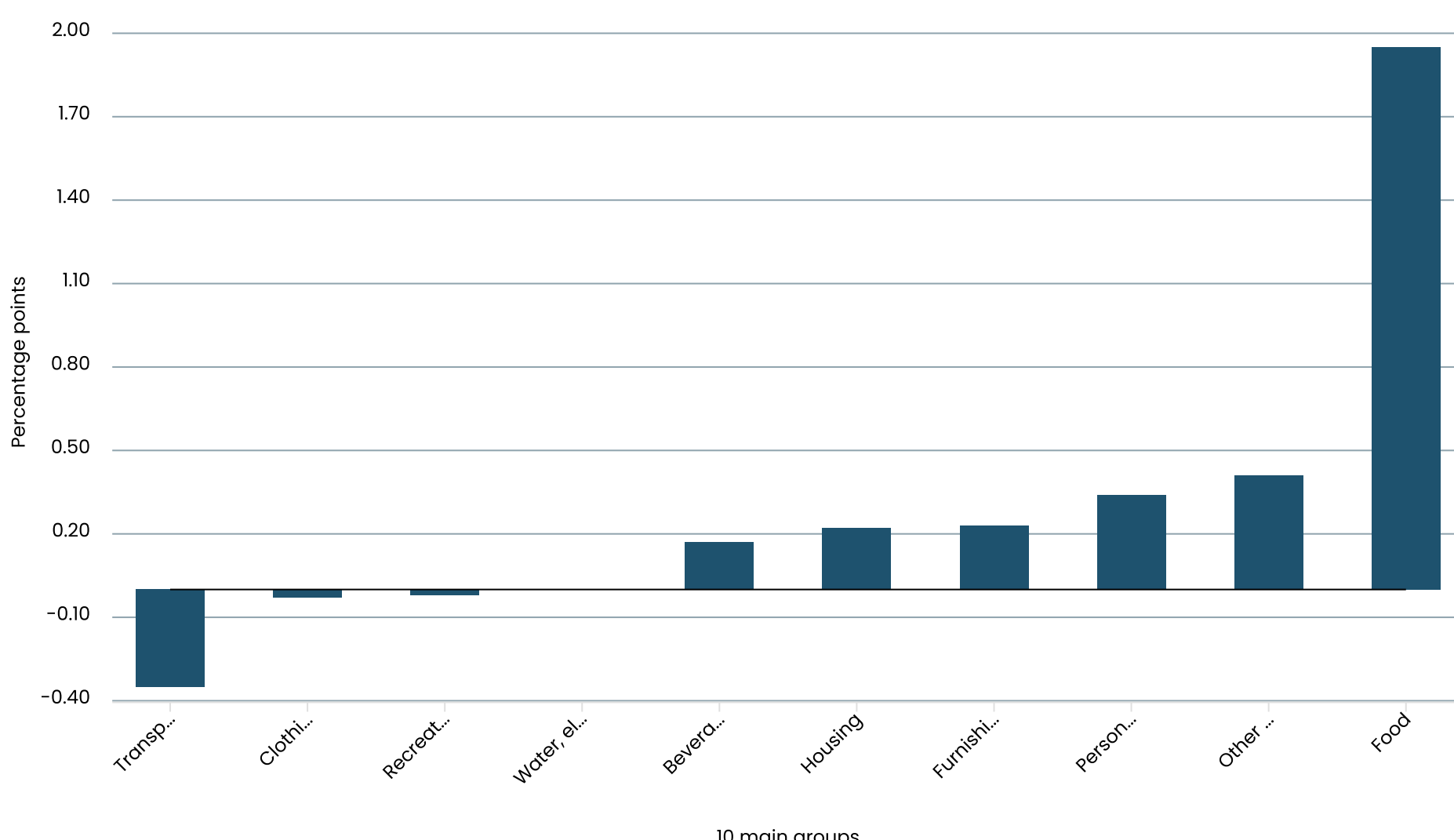
Chart 3 depicts the impact on the annual inflation rate by the 10 main groups. An impact is a measure showing the change in inflation as a result of the inclusion of an index. Such an impact takes into account both the weight and the annual rate of inflation by group.

In January 2024, the largest upward impact on annual inflation was registered in the Food Index (+1.95 percentage points), largely due to higher prices of vegetables. The second and third largest impacts were measured in the Other goods and services Index (+0.41 percentage points) and the Personal care and health Index (+0.34 percentage points), mainly on account of higher prices of cleaning products and articles of personal hygiene, respectively.

The downward impacts on annual inflation were registered in the Transport and communication (-0.35 percentage points), the Clothing and footwear Index (-0.03 percentage points) and the Recreation and culture Index (-0.02 percentage points), mainly reflecting lower prices of mobile phone services, garments and audio-visual equipment, respectively (Chart 3).

Chart 3. Contribution to the annual inflation rate by the 10 main groups

January 2024



Notes:
 1. The Food Index includes restaurant services and take-aways.
 2. A percentage point is the arithmetic difference between two percentages.

Aggregates

In January 2024, the Food Index registered the highest annual inflation rate at 9.1 per cent, of which Food excluding restaurant services and take-aways registered an annual rate of 9.8 per cent and Restaurant services and take-aways registered an annual rate of 7.2 per cent.

The Transport and communication Index registered the lowest annual inflation rate of -1.6 per cent, of which Transport registered an annual rate of -0.7 per cent and Communication registered an annual rate of -4.4 per cent (Tables 1 and 3).

Retail Price Index (RPI)



Annual inflation rates by the 10 main groups (%)

Overall inflation rate (%)

Jan 2023 6.9

Jan 2024 3.2

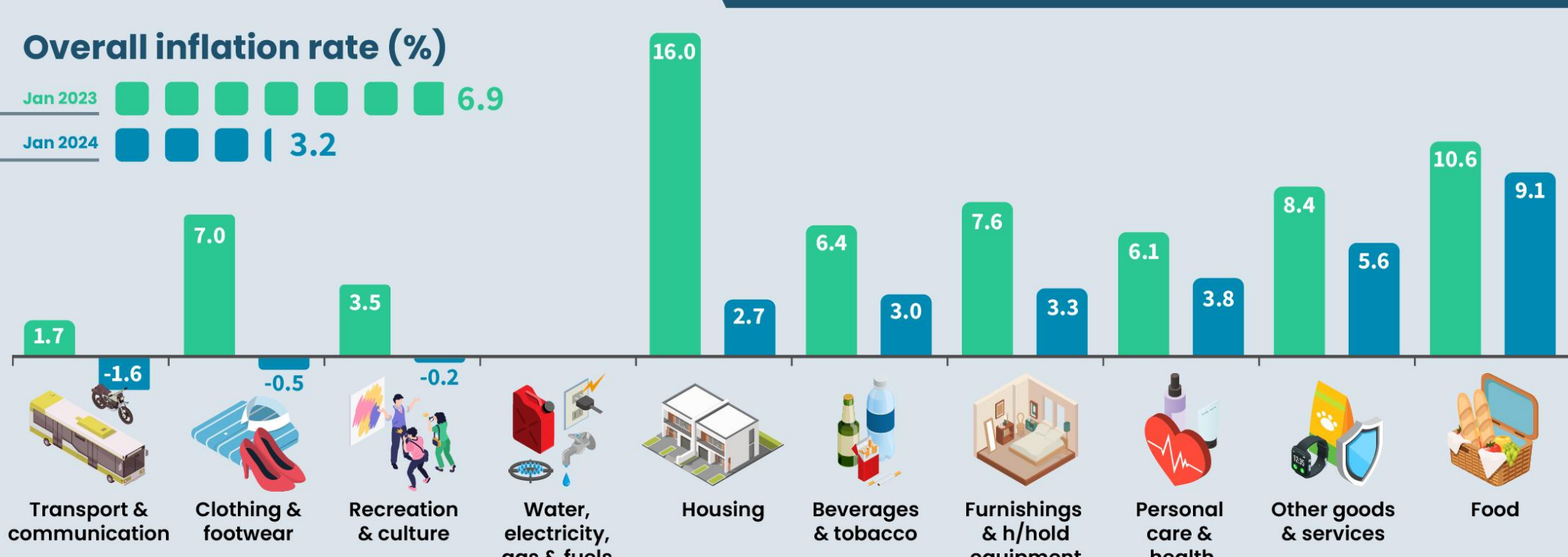


Table 1. RPI indices by period and group*December 2016=100*

Group	Weight (%)	Indices			Annual rate (%)	Monthly rate (%)
		Jan 2023	Dec 2023	Jan 2024	Jan 2024	Jan 2024
Food ¹	21.49	128.69	140.10	140.35	9.1	0.2
Beverages and tobacco	5.56	114.92	118.47	118.39	3.0	-0.1
Clothing and footwear	6.62	82.77	94.40	82.33	-0.5	-12.8
Housing	7.90	133.02	136.52	136.68	2.7	0.1
Water, electricity, gas and fuels	3.31	100.29	100.29	100.29	0.0	0.0
Furnishings and household equipment	6.97	111.23	117.08	114.95	3.3	-1.8
Transport and communication	22.10	105.56	104.52	103.88	-1.6	-0.6
Personal care and health	8.81	114.55	118.73	118.92	3.8	0.2
Recreation and culture	9.90	111.03	111.89	110.79	-0.2	-1.0
Other goods and services	7.34	116.20	122.00	122.67	5.6	0.5
All-items	100.00	114.05	118.80	117.73	3.2	-0.9

¹ Including restaurant services and take-aways.

Table 2. Inflation rates by year and month

Month	2022		2023		2024	
	Annual rate (%)	12-month moving average rate (%)	Annual rate (%)	12-month moving average rate (%)	Annual rate (%)	12-month moving average rate (%)
January	3.9	1.8	6.9	6.4	3.2	4.8
February	4.2	2.1	7.1	6.6		
March	4.4	2.5	7.0	6.9		
April	5.7	2.9	5.8	6.9		
May	6.0	3.3	5.7	6.8		
June	6.2	3.7	5.4	6.7		
July	6.8	4.1	4.7	6.6		
August	7.0	4.5	4.0	6.3		
September	7.5	4.9	4.1	6.0		
October	7.5	5.4	3.7	5.7		
November	7.1	5.8	3.6	5.4		
December	7.4	6.2	3.6	5.1		

Table 3. Inflation rates for RPI aggregates by group: January 2024

Group	Aggregates (respective % weight)	Annual rate (%)	Monthly rate (%)
Food (21.49 %)	Food excluding restaurant services and take-aways (15.60 %)	9.8	0.2
	Restaurant services and take-aways (5.89 %)	7.2	0.2
Beverages and tobacco (5.56 %)	Beverages (2.81 %)	2.6	-0.2
	Served beverages in restaurants and take-aways (1.16 %)	5.5	0.1
	Tobacco (1.59 %)	1.6	0.0
Clothing and footwear (6.62 %)	Clothing (5.45 %)	0.1	-13.1
	Footwear (1.17 %)	-3.0	-11.3
Housing (7.90 %)	Rent (1.08 %)	15.2	-0.4
	Materials for house maintenance (3.70 %)	1.8	0.1
	Services for house maintenance (3.12 %)	0.2	0.4
Water, electricity, gas and fuels (3.31 %)	Water and electricity (3.06 %)	0.0	0.0
	Gas and fuels (kerosene) (0.25 %)	0.0	0.0
Furnishings and household equipment (6.97 %)	Furniture and furnishings (3.59 %)	6.7	-1.0
	Carpets and household textiles (0.76 %)	2.6	-7.0
	Household appliances and utensils (2.62 %)	-1.2	-2.0
Transport and communication (22.10 %)	Transport (16.57 %)	-0.7	-0.8
	Communication (5.53 %)	-4.4	-0.1
Personal care and health (8.81 %)	Medical services and medicinals (4.14 %)	3.2	0.2
	Personal care products and services (4.67 %)	4.3	0.1
Recreation and culture (9.90 %)	Sports related equipment (0.54 %)	1.3	-1.1
	Educational fees and related expenses (2.04 %)	4.1	0.1
	Other recreational articles and services (7.32 %)	-1.6	-1.3
Other goods and services (7.34 %)	Jewellery, watches and other articles (1.13 %)	6.4	-0.7
	Non-durable household goods (1.72 %)	11.6	0.9
	Veterinary services (including pet food) and domestic services (1.40 %)	0.8	-1.7
	Insurances, financial services and other services (3.09 %)	4.5	1.8

Methodological Notes

1. Overview

The RPI measures monthly price changes in the cost of purchasing a representative basket of consumer goods and services. A closely related measure of price movements is the Harmonised Index of Consumer Prices (HICP). A description of differences between the HICP and the RPI can be found in methodological note 3 of this news release.

Each monthly RPI news release includes three different measures of inflation:

1. The annual inflation rate measures average price changes between the reference month and the same month of the previous year. Although responsive to recent changes in price levels, this measure can be influenced by one-off effects in either month.
2. The monthly inflation rate compares price changes between the reference month and the previous month. This measure can be highly influenced by seasonal effects.
3. The 12-month moving average rate overcomes the volatility of the above two rates by comparing the average of the latest 12 indices to the average of the previous 12 indices. This measure is less sensitive to temporary changes in prices.

2. Accessing data

NSO new releases and further information on HICP and RPI may be accessed from [here](#).

Eurostat news releases on HICP may be accessed from Eurostat's [website](#).

3. Differences between RPI and HICP

Both indices are compiled using a large and representative selection of more than 500 different goods and services, for which price movements are regularly monitored. More than 19,000 separate price quotations are used each month to compile the index.

The methodology underlying RPI and HICP is similar, yet they differ by the following:

i. The RPI captures private households only, whereas the HICP covers private households, institutional households (such as retirement homes) and foreign visitors to Malta.

ii. The population base year of each index is different. The RPI is a fixed base index with weights periodically updated in line with the Household Budgetary Survey (HBS). On the other hand, the HICP is a chain-linked index with the weights reviewed on an annual basis. Unlike the RPI, where the sample of goods and services changes every time the weights are updated, newly significant goods and services can be introduced in the HICP framework on an annual basis.

iii. The coverage of the HICP is based on an international classification system, ECOICOP (European Classification of Individual Consumption by Purpose), whereas the RPI has a different set of codes for each group of items, as listed in the table below.

	ECOICOP division	Weight (out of 1000)		RPI group	Weight (out of 100)
1	Food and non-alcoholic beverages	180.18	1	Food (including restaurant services and take-aways)	21.49
2	Alcoholic beverages and tobacco	35.25	2	Beverages and tobacco	5.56
3	Clothing and footwear	41.38	3	Clothing and footwear	6.62
4	Housing, water, electricity, gas and other fuels	101.77	4	Housing	7.90
5	Furniture, household equipment and routine household maintenance	83.88	5	Water, electricity, gas and fuels	3.31
6	Health	46.88	6	Furnishing and household equipment	6.97
7	Transport	123.69	7	Transport and communication	22.10
8	Communication	38.56	8	Personal care and health	8.81
9	Recreation and culture	83.95	9	Recreation and culture (including education)	9.90
10	Education	27.32	10	Other goods and services	7.34
11	Restaurants and hotels	158.11			
12	Miscellaneous goods and services	79.03			
	Total	1000.00		Total	100.00

Apart from the disparities identified above, both the RPI and the HICP:

have the same geographic coverage, implying that both indices refer to the whole country;
utilise the same price collection methodologies; and,
utilise the same outlet sample (with some exceptions).

4. Explaining divergences between RPI and HICP inflation

The HICP and RPI price indices bear several similarities and often produce similar inflation estimates. However, in some cases, inherent methodological differences between the two indices, particularly differences in the consumption basket and in the weights given to these products, cause the inflation rates reported by these two measures to diverge.

5. Further information

Price quotations for the new items introduced in the latest RPI index series started being collected in December 2016.

From January 2017, the RPI started being published with December 2016 as its base. All RPI indices pertaining to the years prior to 2017 were re-based to December 2016=100. This latest index series may be linked to the previous one by using a linking coefficient of 1.1199.

The basket of consumption items considered for the RPI is reviewed periodically, in line with the HBS, during which, information about household consumption is collected over a 12-month period, in order to obtain an estimate of the average household expenditure. New products are included in the basket of items when achieving a sales volume of over one part per thousand of total consumer expenditure covered by the RPI. The information collected through the HBS exercise is then further supplemented by additional data sources to obtain the final RPI weights.

The HICP is published with 2015 as its base year. The previous series with reference 2005=100 has been discontinued. Commission Regulation (EU) No 2015/2010 provides the legal basis for updating the HICP reference year from 2005=100 to 2015=100. It should be noted that the re-basing operation was conducted after rounding all past indices to one decimal place. Therefore, there might be slight differences when comparing this series with past data due to rounding.

The HICP largely follows National Accounts (NA) concepts of what constitutes household consumption in determining the index scope, and mainly uses NA data to weight the items in the basket.

The HICP weighting scheme is annually updated in accordance with Commission Regulation (EU) No 1114/2010. The treatment of seasonal items is in accordance with Commission Regulation (EC) No 330/2009.

Figures in Table 3 may not add up mainly due to additivity and the change in weights and basket of items in January 2017.

Users are advised to consult the NSO before comparing the results of the RPI and the HICP.

More information on the metadata behind HICP and RPI news releases may be accessed from:

- [Sources and methods](#)
- [Statistical concepts](#)
- [Metadata \(RPI\)](#)
- [ECOICOP division classification](#)
- [RPI and HICP manual](#)
- [NSO statistical database](#)
- [ECB digital publication on inflation](#)

6. Reassessments / revisions

Note that the RPI series is published with reference base December 2016, whereas the HICP series is published with base year 2015, in line with [Eurostat base year revisions](#).

7. Time series

Data from 1946 onwards is accessible through the following [link](#) in the selected indicators section (Index of Inflation).

8. A detailed news release calendar is available [online](#).

9. References to this news release are to be cited appropriately. For guidance on access and re-use of data please visit our [dedicated webpage](#).

10. For further assistance send your request through our [online request form](#).