

## Flash estimate - December 2006

# Euro area inflation estimated at 1.9%

**Euro area**<sup>1</sup> annual inflation<sup>2</sup> is expected to be 1.9% in December 2006 according to a flash estimate issued by Eurostat, the Statistical Office of the European Communities. It was 1.9% in November<sup>3</sup>.

### Computation of flash estimates

Euro area inflation is measured by the Monetary Union Index of Consumer Prices (MUICP). To compute the MUICP flash estimates, Eurostat uses early price information relating to the reference month from Member States for which data are available<sup>4</sup> as well as early information about energy prices.

The flash estimation procedure for the MUICP combines historical information with partial information on price developments in the most recent months to give a total index for the euro area. No detailed breakdown is available. Experience has shown the procedure to be reliable (14 times exactly anticipating the inflation rate, 9 times differing by 0.1 and once differing by 0.2, in January 2005, over the last two years). Further information can be found in Eurostat News Release 113/2001 of 5 November 2001.

### Future provisional publication dates

Index for	MUICP flash estimates	News release on MUICP, EU25 and Member States
December 2006	-	17 January 2007
January 2007	31 January 2007	28 February 2007
February 2007	1 March 2007	15 March 2007

1. The Member States participating in the euro area until 31 December 2006 were Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. Slovenia is a member of the euro area from 1 January 2007, and will be included in the calculation of the Flash Estimate for January 2007.
2. Annual inflation is the price change between the current month and the same month of the previous year.
3. See News Release 164/2006 of 15 December 2006.
4. The MUICP flash estimate includes early price information representing approximately 95% of the euro area total consumption expenditure weight (see News Release 53/2006 of 28 April 2006).

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