

Data extracted in April 2022.

Planned update: April 2023.

" In 2021, the highest annual inflation rates among EU Member States were recorded in Poland and Hungary (5.2 % each) and Lithuania (4.6 %). "

" In 2021, the highest annual price increases in the EU were recorded for transport (up 6.8 %) and Housing, water, electricity, gas and other fuels (up 4.8 %). "

Inflation is the increase in the general level of prices of goods and services in an economy; the reverse situation is deflation, when the general level of prices falls. Inflation and deflation are usually measured by **consumer price indices** or retail price indices. Within the **European Union (EU)**, a specific consumer price index has been developed — the **harmonised index of consumer prices (HICP)**. Other factors (such as wages) being equal, inflation in an economy means that the purchasing power of consumers falls as they are no longer able to purchase the same amount of goods and services with the same amount of money.

Inflation: price changes over time

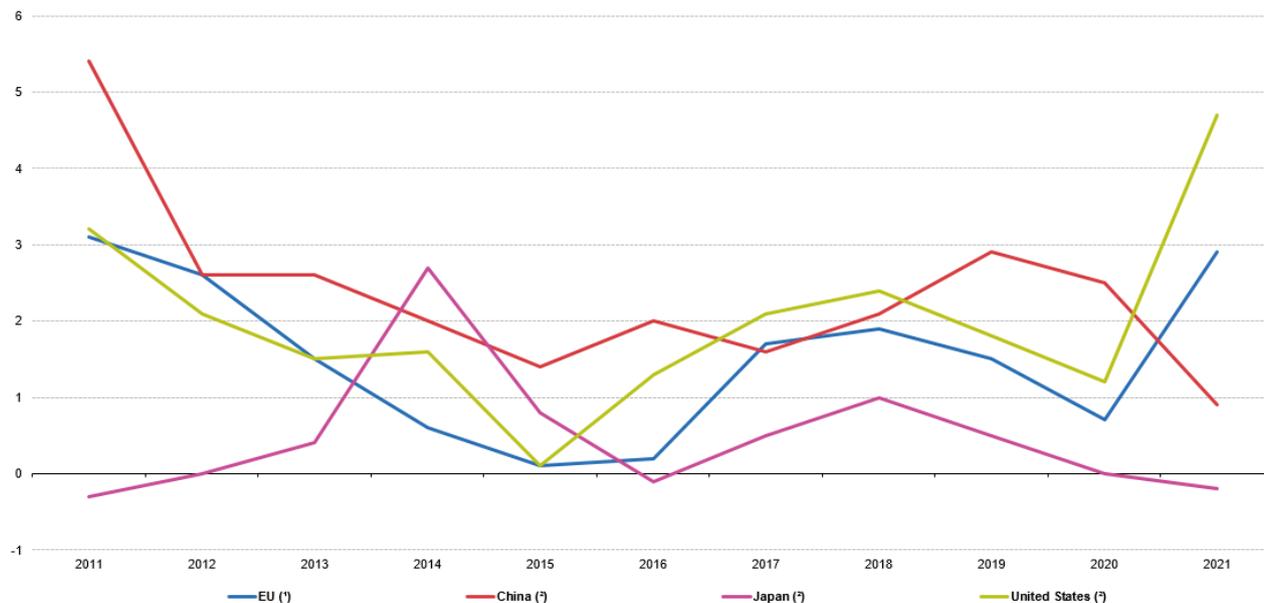
The average annual **inflation rate** of the EU (based on an index using a changing aggregate reflecting EU membership) stayed within the range of 1.2 % to 2.3 % during the period from 1997 (the beginning of the time series) to 2007. In the run-up to the global financial and economic crisis and in its immediate aftermath there was considerable volatility in food and energy price developments which led to broad changes in inflation rates. In the EU, average annual inflation peaked at 3.7 % in 2008, with relatively sharp annual movements during the period 2008-2012. EU inflation subsequently decreased, reaching a low of 0.1 % in 2015 and a slightly higher rate of 0.2 % in 2016. The average annual inflation rate increased to 1.7 % in 2017 and then to 1.9 % in 2018, subsequently decreasing to 1.5 % in 2019. In 2020 it recorded 0.7 %, and in 2021 it sharply rose to 2.9 %. Therefore, the lowest EU inflation rates were recorded during the period 2014-2016. Inflation accelerated from 2017 to 2019, decreased in 2020 under the impacted of the COVID-19 measures¹, and increased again sharply in 2021 (see Figure 1).

The overall change in the HICP in the EU during the period 2011-2021 was 14.6 %, or an annual average of 1.4 %. Figure 1 shows comparative consumer price developments of several of the largest world economies: price changes in Japan were generally lower than in the EU and higher in the United States and in China. During the period 2011-2021, consumer prices rose by an annual average of 2.1 % in China, 1.9 % in the United States and 0.5 % in Japan.

¹More information on COVID-19 and the HICP can be found in the HICP dedicated section, under ' [Methodology](#) ' #COVID-19 and HICP.

EU HICP and China, Japan and USA CPI, all-items — annual average inflation rates, 2011-2021

(%)



(*) The data refer to the official EU aggregate. Its country coverage changes in line with the addition of new EU Member States and
 (†) National CPI: not strictly comparable with the HICP.
 Source: Eurostat (online data code: prc_hicp_aind) and OECD (G20 - CPI All-items)



Figure 1: EU HICP and Japan, USA and China CPI - annual average all-items inflation rates, 2011-2021 (%)
Source: Eurostat (prc_hicp_aind) and OECD (G20 — CPI All-items)

Among the EU Member States, Hungary (28.0 %), Estonia and Romania (24.1 % each), registered the highest overall increases in the HICP between 2011 and 2021. By contrast, Greece experienced the largest decrease in the HICP during the same period (-0.6 %).

Looking at the latest annual data for the HICP (see Table 1), in 2021 consumer prices rose by as much as 5.2 % in Hungary and Poland. The next highest increase was recorded in Lithuania (4.6 %). At the other end of the range, the lowest average annual inflation rates in 2021 were recorded in Greece (0.6 %) as well as Malta (0.7 %) and Portugal (0.9 %).

HICP all-items — annual average inflation rates, 2011-2021

(%)

Geopolitical entity	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EU (*)	3.1	2.6	1.5	0.6	0.1	0.2	1.7	1.9	1.5	0.7	2.9
Euro area (*)	2.7	2.5	1.4	0.4	0.2	0.2	1.5	1.8	1.2	0.3	2.6
Belgium	3.4	2.6	1.2	0.5	0.6	1.8	2.2	2.3	1.2	0.4	3.2
Bulgaria	3.4	2.4	0.4	-1.6	-1.1	-1.3	1.2	2.6	2.5	1.2	2.8
Czechia	2.2	3.5	1.4	0.4	0.3	0.6	2.4	2.0	2.6	3.3	3.3
Denmark	2.7	2.4	0.5	0.4	0.2	0.0	1.1	0.7	0.7	0.3	1.9
Germany	2.5	2.2	1.6	0.8	0.7	0.4	1.7	1.9	1.4	0.4	3.2
Estonia	5.1	4.2	3.2	0.5	0.1	0.8	3.7	3.4	2.3	-0.6	4.5
Ireland	1.2	1.9	0.5	0.3	0.0	-0.2	0.3	0.7	0.9	-0.5	2.4
Greece	3.1	1.0	-0.9	-1.4	-1.1	0.0	1.1	0.8	0.5	-1.3	0.6
Spain	3.0	2.4	1.5	-0.2	-0.6	-0.3	2.0	1.7	0.8	-0.3	3.0
France	2.3	2.2	1.0	0.6	0.1	0.3	1.2	2.1	1.3	0.5	2.1
Croatia	2.2	3.4	2.3	0.2	-0.3	-0.6	1.3	1.6	0.8	0.0	2.7
Italy	2.9	3.3	1.2	0.2	0.1	-0.1	1.3	1.2	0.6	-0.1	1.9
Cyprus	3.5	3.1	0.4	-0.3	-1.5	-1.2	0.7	0.8	0.5	-1.1	2.3
Latvia	4.2	2.3	0.0	0.7	0.2	0.1	2.9	2.6	2.7	0.1	3.2
Lithuania	4.1	3.2	1.2	0.2	-0.7	0.7	3.7	2.5	2.2	1.1	4.6
Luxembourg	3.7	2.9	1.7	0.7	0.1	0.0	2.1	2.0	1.6	0.0	3.5
Hungary	3.9	5.7	1.7	0.0	0.1	0.4	2.4	2.9	3.4	3.4	5.2
Malta	2.5	3.2	1.0	0.8	1.2	0.9	1.3	1.7	1.5	0.8	0.7
Netherlands	2.5	2.8	2.6	0.3	0.2	0.1	1.3	1.6	2.7	1.1	2.8
Austria	3.6	2.6	2.1	1.5	0.8	1.0	2.2	2.1	1.5	1.4	2.8
Poland	3.9	3.7	0.8	0.1	-0.7	-0.2	1.6	1.2	2.1	3.7	5.2
Portugal	3.6	2.8	0.4	-0.2	0.5	0.6	1.6	1.2	0.3	-0.1	0.9
Romania	5.8	3.4	3.2	1.4	-0.4	-1.1	1.1	4.1	3.9	2.3	4.1
Slovenia	2.1	2.8	1.9	0.4	-0.8	-0.2	1.6	1.9	1.7	-0.3	2.0
Slovakia	4.1	3.7	1.5	-0.1	-0.3	-0.5	1.4	2.5	2.8	2.0	2.8
Finland	3.3	3.2	2.2	1.2	-0.2	0.4	0.8	1.2	1.1	0.4	2.1
Sweden	1.4	0.9	0.4	0.2	0.7	1.1	1.9	2.0	1.7	0.7	2.7
Iceland	4.2	6.0	4.1	1.0	0.3	0.8	-1.7	0.7	2.0	1.2	3.7
Norway	1.3	0.4	2.0	1.9	2.0	3.9	1.9	3.0	2.3	1.2	3.9
Switzerland	0.1	-0.7	0.1	0.0	-0.8	-0.5	0.6	0.9	0.4	-0.8	0.5
North Macedonia (*)	3.2	1.8	2.7	0.0	0.1	0.2	2.1	2.3	0.7	1.2	3.4
Serbia (*)	11.2	7.4	7.7	2.3	1.5	1.3	3.3	2.0	1.9	1.8	4.0
Turkey (*)	6.5	9.0	7.5	8.9	7.7	7.7	11.1	16.3	15.2	12.3	19.6

(*) The data refer to the official EU aggregate. Its country coverage changes in line with the addition of new EU Member States and integrates them using a chain-linked index formula.

(†) The data refer to the official euro area aggregate. Its country coverage changes in line with the addition of new EA Member States and integrates them using a chain-linked index

(‡) Definition differs.

Source: Eurostat (online data code: prc_hicp_aind)



Table 1: HICP all-items — annual average inflation rates, 2011-2021 (%) Source: Eurostat (prc_hicp_aind)

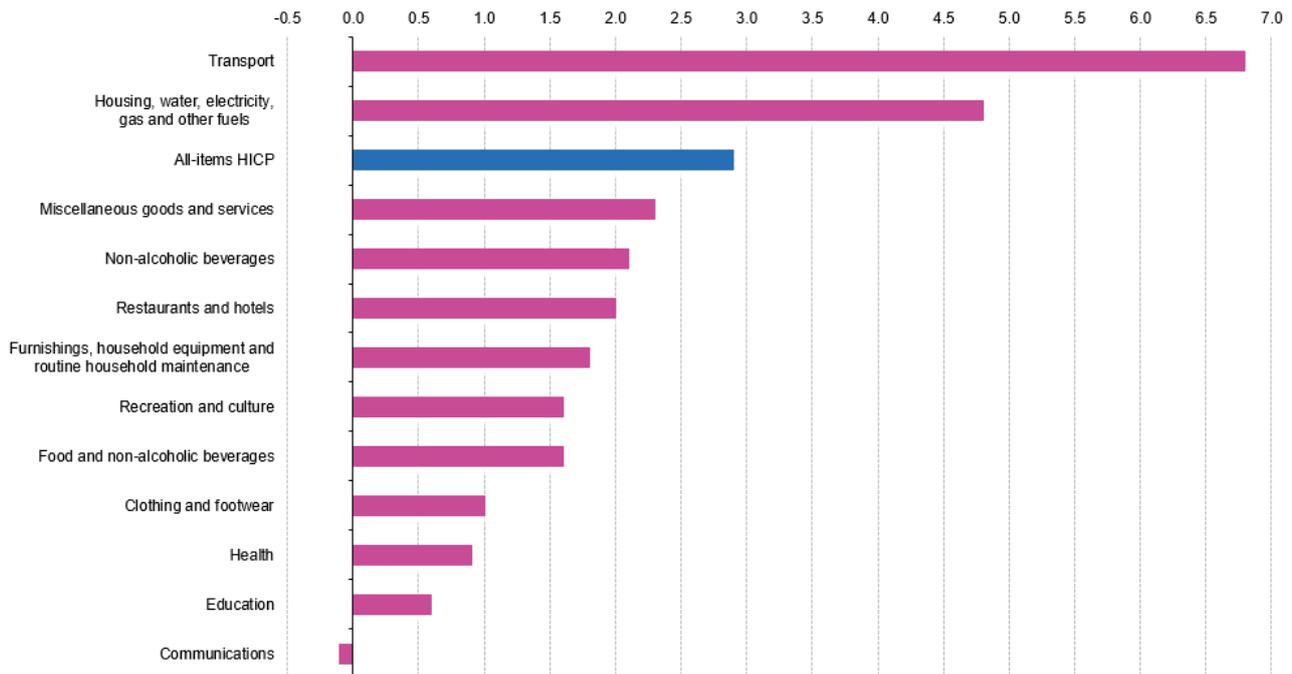
Inflation rates by product

As regards the 12 main headings of the HICP, the price of alcoholic beverages and tobacco as well as the price of education rose most rapidly across the EU during the period 2011-2021, by 37.5 % and 24.3 %, respectively. By contrast, the price of communications in the EU fell by 11 % overall during the same period. There were comparatively smaller changes in the price of clothing and footwear (5.2 %). The price of furnishings, household equipment and routine household maintenance rose by 6.9 % and all of the remaining main components of the HICP recorded double-digit price increases during this period.

Looking at the latest annual developments (see Figure 2), consumer prices for transport rose the most in 2021, by an average of 6.8 % in the EU. They were followed by housing, water, electricity, gas and other fuels, which rose by an average of 4.8 % and miscellaneous goods and services by an average of 2.3 %. At the other end of the spectrum, the price of communications fell by 0.1 %. The other main headings all had rises between 0.6 % and 2.1 % in 2021.

HICP main headings – EU annual average inflation rates, 2021

(%)



Source: Eurostat (online data code: prc_hicp_aind)

eurostat

Figure 2: HICP main headings — EU annual average inflation rates, 2021 (%) Source: Eurostat (prc_hicp_aind)

Source data for tables and graphs

- [Consumer prices — inflation](#)

Data sources

The HICP is an index for measuring the change in prices of consumer goods and services acquired by households in monetary transactions. Certain categories of consumption expenditure are excluded from the HICP on the grounds that they pose practical problems for price collection, do not represent monetary transactions, or do not yet have a harmonised method of treatment. These include, for example, narcotics, owner-occupied housing and games of chance.

Goods and services are classified according to the European classification of individual consumption by purpose. At the most disaggregated level currently available, Eurostat publishes around 400 sub-indices for consumer prices. The annual inflation rate measures the change of the index between one month and the same month of the previous year, and the monthly rate compares indices between two consecutive months.

The indices are compiled according to a common approach, providing comparable measures of consumer price changes across countries, as well as for different country groupings, namely: the euro area, the European Union, and the European Economic Area (which includes the EU Member States plus Iceland and Norway).

HICPs have a common reference year (currently 2015 = 100). Normally the indices are used to calculate percentage changes that show price increases/decreases. Although the rates of change shown in the tables and figures for this article are annual averages, the basic indices are compiled and published on a monthly basis.

Since October 2001, a [flash estimate](#) of the [euro area](#) inflation rate has been published at the end of each reference month. This estimate, is nowadays calculated based on data received directly from the euro area countries ([nowcasting](#)), and is replaced in the middle of the following month once a full set of data is available.

Context

The HICP is used for measuring inflation in the euro area; the primary objective of the [European Central Bank's \(ECB\)](#) monetary policy is to maintain price stability. The ECB has defined price stability as a year-on-year increase in the HICP for the euro area of below, but close to 2 % over the medium-term.

HICPs are also used for the purposes of monetary policy and assessing inflation convergence as required in the [Treaty on the functioning of the European Union](#) among other uses.

Other articles

- [Comparative price levels of consumer goods and services](#)
- [G20 consumer price index](#)
- [HICP at constant tax rates](#)
- [Inflation in the euro area](#)
- [HICP methodology](#) (background article)

Main tables

- [Harmonised indices of consumer prices \(HICP\)](#) (t_prc_hicp)

Database

- [Harmonised indices of consumer prices \(HICP\)](#) (prc_hicp), see:

HICP (2015=100) - monthly data (index) (prc_hicp_midx)

HICP (2015=100) - monthly data (annual rate of change) (prc_hicp_manr)

HICP (2015=100) - monthly data (monthly rate of change) (prc_hicp_mmor)

HICP (2015=100) - monthly data (12-month average rate of change) (prc_hicp_mv12r)

HICP (2015=100) - annual data (average index and rate of change) (prc_hicp_aind)

Contributions to euro area annual inflation (in percentage points) (prc_hicp_ctrb)

HICP - country weights (prc_hicp_cow)

HICP - item weights (prc_hicp_inw)

HICP - administered prices (composition) (prc_hicp_apc)

HICP at constant tax rates (prc_hicp_ct)

HICP at constant taxes - monthly data (index) (prc_hicp_cind)

HICP at constant taxes - monthly data (annual rate of change) (prc_hicp_cann)

HICP at constant taxes - monthly data (monthly rate of change) (prc_hicp_cmon)

Dedicated section

- [Harmonised indices of consumer prices \(HICP\)](#)

Data visualisation

- [Inflation](#)

Methodology

ESMS metadata files

- [Harmonised indices of consumer prices \(HICP\)](#) (ESMS metadata file — prc_hicp_esms)

Publications

- [Harmonised indices of consumer prices \(HICPs\) methodological manual](#)

External links

- [European Central Bank, monetary policy](#)
- [OECD — Prices and purchasing power parities \(PPP\)](#)
- [World Bank — international comparison program \(ICP\)](#)