



REPUBLIC OF CYPRUS



STATISTICAL SERVICE
1444 NICOSIA

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METHODOLOGICAL NOTE

Revision of the Consumer Price Index

Introduction

The Consumer Price Index (CPI) is an economic indicator compiled to measure the changes over time in the prices of consumer goods and services consumed by households. The CPI aims to cover the full range of final consumption expenditure in order to provide a timely and clear picture of inflation.

The main planned changes in the compilation of the CPI concern the update of the shopping basket and the update of the weights and are based on the results of the Household Budget Survey (HBS) conducted in 2023. As of January 2026, both the products and services included in the CPI as well as their respective weights will be revised.

Household Budget Survey (HBS)

One of the main purposes of the HBS 2023 survey was to revise the representative goods and services included in the shopping basket as well as the CPI weights. The data collection was carried out over a 12-month period from April 2023 to March 2024.

Update of the Shopping Basket

The shopping basket comprises of goods and services for which households spend a significant amount for their acquisition. These are weighted in order to compile the CPI and are classified according to the ECOICOP classification. The weight of a specific good or service indicates the percentage of expenditure spent for its purchase from households, compared to the total expenditure for all goods and services in the CPI.

The new shopping basket will include 850 goods and services, compared to 805 included in the previous one. 130 new goods and services will be added, while 85 goods will be removed. The selection of new products and the removal of existing ones is based on the annual expenditure of households based on the latest HBS.

Weights of the CPI Index

The weights, i.e. the weight or percentage by which the goods and services it includes affect the CPI, are presented in Table 1 below:

Table 1: Percentage Breakdown of Household Expenditures by main Categories of Goods and Services, 2018 and 2026

Category of goods and services		2026	2018
01	Food and non-alcoholic beverages	17.62	19.06
02	Alcoholic beverages and tobacco	5.28	3.47
03	Clothing and footwear	6.46	7.21
04	Housing, water, electricity, gas and other fuels	11.87	11.22
05	Furnishings, household equipment and routine household maintenance	6.19	6.41
06	Health	3.71	6.37
07	Transport	14.81	15.38
08	Information and communication	4.15	5.69
09	Recreation, sport and culture	6.94	4.37
10	Education services	3.76	3.92
11	Restaurants and accommodation services	11.13	8.36
12	Insurance and financial services	2.36	3.26
13	Personal care, social protection and miscellaneous goods and services	5.72	5.28
TOTAL		100.00	100.00

It is noted that the change in the weight of a good/service does not imply an increase/decrease in the absolute amount of the expenditure for this good/service.

Base Year of the Index

The Statistical Service will change the base year to 2025=100 as from January 2026.

Implementation of a New Version of the ECOICOP v2 Classification System

The Statistical Service from January 2026, will implement the 2nd edition of the European Classification of Individual Consumption ECOICOP v2.