

Spanish inflation rate increases by 2.9 pct in 2012

MADRID, Jan. 15 (Xinhua) -- The Spanish annual inflation rate reached 2.9 percent in December 2012, according to the official Consumer Price Index (CPI) data released on Tuesday.

The Spanish National Institute of Statistics (INE), who published the CPI, informed about the evolution of prices in 2012, which have been affected by the sales tax rise and the pharmaceutical co-payment system implemented by the Spanish government.

For this reason, medicines prices experienced a big increase in 2012, rising by 13 percent over the whole year.

Housing prices increased by 5.6 percent in 2012, declining by 0.2 percent in comparison with the period from January to November due to the fall of prices in fuel.

The transport sector saw an increase of 3.1 percent, according to the INE, mainly due to increased fuel prices that specially affected urban public transport, whose prices rose by 9.4 percent.

Also prices in education increased by 10.5 percent because of tax rises specially affecting university education where prices rose by 22.4 percent, according to the INE.

Food and non-alcoholic drinks saw a 3 percent increase from January to December 2012 while communications was the only item that experienced a decrease, declining by 2.7 percent in 2012.

This data confirmed the advanced figure provided by the INE Jan. 2 for December's inflation rate. It meant there has been no variation in comparison with November's inflation rate as it also stood at 2.9 percent.

The Spanish government expects the effects influencing 2012 inflation rate, such as sales tax and co-payment system, to correct in 2013.