

## Memorandum about Base update 2026

### Kilometre-fee

A change that came into effect at the beginning of the year means that a kilometre-fee charge is on all vehicles regardless of energy source, instead of being limited to zero-emission motor cars (electric, hydrogen and plug-in hybrid motor cars). The kilometre-fee was previously outside the Consumer Price Index but is now classified under 07242 Toll facilities. The weight of the category is based on household usage at the end of the previous year, i.e. it includes kilometre-fee for zero-emission motor cars and road tolls for tunnels. The change in the index for this category is then estimated using the following formula, assuming equal driving distances in December and January:

$$\frac{\text{Estimated total household cost for road tolls based on the price fee in January}}{\text{Estimated total household cost for road tolls based on the price fee in December}} - 1$$

To estimate the number of kilometres driven by households, data on individual travel by motorcycles and cars by energy source were used. Information on vehicle registrations was obtained from the Icelandic Transport Authority's vehicle register and linked with population data from Statistics Iceland. Driving activity was estimated using a statistical model based, among other things, on inspection data from the Icelandic Transport Authority.

### 0711 Motor cars

In recent years, price changes for new cars have been estimated using a model based on a division into three categories according to their emissions. As substantial changes have now occurred in subsidies and excise duties on motor cars leading to price developments for electric vehicles diverging significantly from those of other cars it was decided to further divide car price measurements into categories based on energy source instead. Initially the categories will be three: electric cars, hybrid cars, and petrol/diesel cars. This classification will be reviewed annually in light of prevailing conditions. Car imports have fluctuated considerably in recent years, and the distribution between these categories varies depending on circumstances at any given time. To reduce the impact of these fluctuations, a three year average of new registrations was used to determine the proportions between these categories.

### 083 Information and communication services

Previously the services included in telecommunications bundles were allocated across categories for fixed line telephony, mobile telephony, internet, and television services. To estimate price changes in these categories, an average cost per unit (minutes, GB) was calculated based on a moving average. This meant that changes in usage within subscription

plans could lead to changes in the index even if the price of the service bundle itself had not changed (for example, if users consumed more data in one month than in previous months).

This changes with the introduction of COICOP 2018, which includes a separate category for telecommunications bundles, “0834 Bundled telecommunications services“. A portion of the consumption weights that would previously have been distributed across fixed line, mobile, internet, and television subscriptions are now assigned to 0834, and instead of measuring prices per unit, direct price measurements of the service items as a whole will be introduced. Information on prices and quantities sold is used in calculating price changes, based on data provided by telecommunications companies.

### **Student housing**

Please note that the category “11203 Accommodation services of boarding schools, universities and other educational establishments“ includes all rental payments for student housing and rooms, including rentals in boarding facilities and student residences. Rent for student housing is therefore no longer classified under actual rentals payments made for housing as was previously the case.

### **0947 Games of chance**

As of January 2026, the category “0947 Games of chance“ will be included in the Harmonised Index of Consumer Prices (HICP). Eurostat has issued [guidance](#) for this category, which Statistics Iceland follows. this category includes lotteries, lotto games, and slot machines, no attempt is made to estimate the volume or price changes of consumption on foreign betting websites. Please note that, as long as payout ratios remain unchanged, this sub index will in practice move in line with the Consumer Price Index.