

## Year-on-year inflation rate unchanged for the third month in a row

### Consumer price indices – November 2010

The total consumer price level in November increased compared with October by 0.2 %. This development came unambiguously from a price rise in 'food and non-alcoholic beverages'. In November the growth of consumer prices amounted to 2.0 %, y-o-y, (the same as in September and October).

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The **month-on-month** consumer price growth by 0.2 % owed primarily to prices of vegetables by 7.5 % and fruit by 4.8 %. Prices of vegetables cultivated for their fruit were higher by 20.6 % and in fruit, prices of stone fruit and berries by 34.2 %. Prices of bread and cereals increased by 3.1 %, of which prices of bread by 6.1 %, rolls and baguettes by 5.0 %, flour by 16.2 %. Prices of oils and fats were higher by 1.7 % and milk by 1.6 %. In 'alcoholic beverages, tobacco', prices of wine, beer and spirits rose (2.0 %, 1.0 % and 0.5 %, respectively).

A contrary effect on the price level came from a seasonal price drop in domestic recreational stays by 8.1 %, recreational stays abroad by 2.4 % and stays at spas by 5.2 %. Prices of drugs and fees paid by patients on prescription drugs fell by 1.2 %.

Prices of goods in total increased by 0.5 %, while prices of services went down by 0.2 %.

In terms of the **year-on-year** comparison, in November 2010, the increase in consumer prices was 2.0 %, i.e. the same as in October nevertheless the price development of the individual divisions of the consumer basket was different. The biggest acceleration in the price growth was shown in 'food and non-alcoholic beverages', in which the increase in prices of vegetables accelerated to 31.6 % (from 24.2 % in October) and oils and fats to 11.9 % (from 10.3 % in October). Prices of baker products went up by 1.7 % in November after a drop by 1.5 % in October. On the other hand, the price growth slowed down primarily in 'transport' due to prices of automotive fuel. Their increase slowed down to 10.8 % (from 14.5 % in October).

The highest upward effect on the consumer price level, which strengthened in November, came from prices in 'food and non-alcoholic beverages'. Prices of milk were higher by 10.5 %, butter by 20.6 %, fruit by 11.0 %, potatoes by 56.7 %, cocoa by 13.8 %. The second highest upward effect on the growth of consumer prices came from prices in 'housing, water, electricity, gas and other fuels'. The net actual rentals went up by 8.3 %, of which for dwellings with regulated rentals rose by 16.9 % and for dwellings with market rentals dropped by 2.3 %. Prices of natural gas were higher by 6.6 %, heat and hot water by 3.4 %, water supply by 3.8 % and sewerage collection by 4.9 %. In 'health', prices of drugs and fees paid by patients on prescription drugs rose by 10.5 %.

Prices of clothing and footwear were lower than in the previous year (-3.9 % and -2.0 %, respectively). In 'recreation and culture', prices of audio-visual, photographic and information processing equipment were lower by 8.2 % and in 'communications', prices of mobile phones by 12.2 %. In 'transport', prices of cars went down by 12.4 %. In 'housing, water, electricity, gas and other fuels', prices of electricity were lower by 2.6 %.

Prices of goods in total increased by 1.8 % and prices of services by 2.1 %. The overall consumer price index excluding imputed rentals was 102.0 %, year-on-year.

**Average inflation rate**, i.e. the increase in the average consumer price index in the twelve months to November 2010 compared with the average CPI in the previous twelve months, stood at 1.4 % in November, which is 0.2 percentage points up compared with October 2010.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP) in the **EU27 member states** was 2.3 % in **October 2010** (0.1 percentage point up on September). The highest annual rates were observed in Romania (7.9 %) and Greece (5.2 %). The year-on-year decrease continued in Ireland (-0.8 %). In Germany, the y-o-y growth amounted to 1.3 % (the same as in September). In Slovakia, the increase in the HICP slowed down to 1.0 % (from 1.1 % in September). According to preliminary calculations, the HICP in the **Czech Republic in November** rose by 0.2 %, **month-on-month**, and by 1.9 % (1.8 % in October), **year-on-year**. The

**MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in November 2010** was 1.9 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

In November 2010, in comparison to October 2010, consumer prices rose in **households of pensioners** by 0.3 %. It was recorded a higher consumer price index for 'food and non-alcoholic beverages' by 1.5 %. The increase was affected particularly by higher prices of vegetables, fruit, bread and wheat flour. Higher index was also registered for 'alcoholic beverages, tobacco' by 0.6 % due mainly to an increase in prices of wine and beer. In 'clothing and footwear', the consumer prices went up by 0.2 %. An upward effect on the consumer price level came primarily from the rise in prices of ready-made clothing and footwear. On the other hand, a lower index was recorded for 'health' (-1.3 %) mainly due to lower prices of drugs and fees paid by patients on prescription drugs. A drop was recorded for 'recreation and culture' by 0.5 %, primarily due to the decrease in prices of domestic recreational stays and recreational stays abroad.

**In the capital city of Prague**, the overall consumer price index (cost of living) increased by 0.2 % month-on-month (in the whole Czech Republic a rise by 0.2 % as well). The consumer price index for 'food and non-alcoholic beverages' increased by 1.9 % (1.6 % in the Czech Republic) due primarily to higher prices of vegetables, fruit, bread and wheat flour. Prague registered a higher index for 'alcoholic beverages, tobacco' by 0.8 % (0.5 % in the Czech Republic) particularly due to higher prices of beer and spirits. The consumer price index for 'clothing and footwear' went up by 0.3 % (0.2 % in the Czech Republic), affected mainly by higher prices of men's ready-made clothing. On the other hand, a decrease occurred in 'recreation and culture' by 1.3 % (-0.9 % in the Czech Republic) as a result of lower prices of domestic recreational stays and recreational stays abroad. In 'health', the drop in prices by 0.6 % (also 0.7 % in the Czech Republic) came from lower prices of drugs and fees paid by patients on prescription drugs.