

Consumer prices increased moderately

Consumer price indices – March 2009

The total consumer price level in March increased compared with February by 0.2 %. An upward effect on the consumer price level, month-on-month, came mainly from the price rise in 'alcoholic beverages, tobacco', 'transport' and also 'housing, water, electricity, gas and other fuels'. The year-on-year consumer price growth accelerated to 2.3 % in March (from 2.0 % in February).

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The **month-on-month** consumer price increase by 0.2 % owed mainly to a price rise in automotive fuel prices, which went up by 2.4 % due to the increase in prices of petrol by 2.9 % on average, while prices of diesel oil dropped by 0.2 %. In 'housing, water, electricity, gas and other fuels', net actual rentals rose by 0.9 %, of which for dwellings with regulated rentals by 1.2 %, while for dwellings with market rentals by 0.3 %. In 'alcoholic beverages, tobacco', prices of cigarettes went up by 0.9 % and prices of wine by 1.2 %. In 'clothing and footwear', the increase in prices was influenced primarily by new seasonal models of clothing and footwear. In food, the price growth was reported mainly for bananas and potatoes (by 16.6 % and 11.1 %, respectively).

A downward effect on the consumer price level came from a price decrease in 'recreation and culture', in which prices of package holidays went down by 3.1 % due to the end of winter season. Lower than in the previous month were also prices of some food. Prices of stone fruit and berry plants decreased by 11.6 % and prices of vegetables grown for fruit by 5.6 %. Prices of rolls and baguettes dropped by 3.5 %, flour by 5.7 %, fresh milk by 2.4 % and unsalted butter by 2.6 %.

Prices of goods in total increased by 0.3 % and prices of services remained unchanged.

In terms of the **year-on-year** comparison, in March, the increase in consumer prices was 2.3 %, i.e. 0.3 percentage point up on February. The acceleration of price growth came mainly from prices in 'alcoholic beverages, tobacco', in which prices of tobacco products were higher by 14.8 % (by 13.7 % in February) and prices of alcoholic beverages by 3.5 % (by 1.7 % in February).

The year-on-year price growth was contributed to mainly by the development in 'housing, water, electricity, gas and other fuels', where prices of natural gas rose by 24.3 %, electricity by 11.6 %, heat and hot water by 7.9 %, water supply by 9.2 % and sewerage collection by 8.9 %. Net actual rentals rose by 19.3 %, of which for dwellings with regulated rentals by 27.0 %, while for dwellings with market rentals by 5.2 %.

A reversed effect on the consumer price level year-on-year came from prices in 'transport', in which prices of automotive fuel dropped by 17.6 % and prices of cars by 11.8 %. Compared with 2008, prices of food were lower due particularly to prices of bread (-9.4 %), rolls and baguettes (-18.4 %), flour (-10.4 %), eggs (-11.3 %), fresh milk (-14.7 %), cheese (-9.8 %) and unsalted butter (-22.3 %). A marked price fall (-12.2 %) continued in audio-visual and photographic equipment and data-processing equipment in 'recreation and culture'. Prices of clothing and prices of devices and household appliances were moderately lower in comparison with March 2008 (by 2.0 % and 1.3 %, respectively). In 'communications', prices of mobile phones decreased and so did prices of telephone and telefax services.

Prices of goods in total grew by 1.1 % and prices of services by 4.0 %. The overall consumer price index excluding imputed rentals was higher by 2.1 %, year-on-year.

Average inflation rate, i.e. **the increase in the average consumer price index in the twelve months to March 2009** compared with the average CPI in the previous twelve months, stood at 5.0 % in March, which is 0.4 percentage point down compared with February 2009.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP) in the **EU 27 member states** was 1.7 % in **February** (the same as in January). The highest annual rates were observed in Latvia (9.4 %). The lowest rates were recorded in Portugal and Ireland (0.1 %). In Germany, the growth of prices accelerated to 1.0 % in February (from 0.9 % in January), in Slovakia the growth decelerated to 2.4 % (from 2.7 % in January).

According to preliminary calculations, the HICP in the **Czech Republic in March 2009** increased by 0.2 %, **month-on-month**, and accelerated to 1.7 % (1.3 % in February), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in March 2009** was 0.6 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

In March 2009, in comparison to February 2009, consumer prices grew by 0.2% in **households of pensioners**. It was recorded a higher consumer price index for 'transport' by 0.9 %. The increase was affected particularly by higher prices of automotive fuel and bicycles. Higher index was registered for 'clothing and footwear' (by 0.8 %) due mainly to a seasonal increase in prices of women's footwear and men's ready-made clothing. In 'alcoholic beverages, tobacco', the consumer price level rose by 0.6 %. An upward effect on the consumer price level came from the increase in prices of wine, tobacco and also spirits. On the other hand, a lower index was recorded for 'food and non-alcoholic beverages' by -0.3 % mainly due to lower prices of wheat flour, rolls and baguettes, fresh milk, long-life and butter.

In the capital city of Prague, the overall consumer price index (cost of living) grew by 0.3 % month-on-month (0.2 % in the whole Czech Republic). The consumer price index for 'housing, water, electricity, gas and other fuels' increased by 0.6 % (0.2 % in the Czech Republic) due to higher net actual rentals and higher prices of heat and hot water. Prague registered a higher index for 'miscellaneous goods and services' by 0.6 % (0.1 % in the Czech Republic) particularly due to higher prices of hairdressing salons and services of personal care. The consumer price index for 'alcoholic beverages, tobacco' grew by 0.5 % (0.8 % in the Czech Republic), affected mainly by higher prices of beer and spirits. On the other hand, a drop occurred in 'recreation and culture' by -1.5 % (by -0.7 % in the Czech Republic) as a result of lower prices of domestic recreational stays and recreational stays abroad.