

PRICES OF FUEL WERE INCREASING FURTHER

Consumer price indices – February 2012

Consumer prices rose in February by 0.2%, month-on-month. This growth came from a price increase especially in 'food and non-alcoholic beverages' and 'miscellaneous goods and services'. The increase in consumer prices accelerated to 3.7%, year-on-year (3.5% in January).

The **month-on-month** growth of consumer prices was influenced primarily by higher prices of vegetables by 9.8%, eggs by 10.4%, rice by 3.5%, poultry by 1.1%, fish by 2.0%, sugar by 2.7% and tea by 3.3%. In 'miscellaneous goods and services', fees paid for a stay at home for the elderly were particularly higher by 2.8%, insurance by 1.6% and financial services by 0.5%. In 'housing, water, electricity, gas and other fuels', prices of heat and hot water rose by 0.8%. In 'transport', the rise in prices of automotive fuel continued for the fifth month and amounted to 1.3% in February. The average price of diesel oil (36.75 CZK per litre) and petrol Natural 95 (36.20 CZK per litre) exceeded its historic high from the previous month. The growth of prices in 'recreation and culture' was influenced primarily by higher prices of package holidays by 1.5%. In 'restaurant and hotels', the highest increase was recorded for prices of catering services in nursery schools and in school canteens, both by 1.2%.

A contrary effect on the price level came primarily from a drop in prices of clothing and footwear (-0.5% and -1.7%, respectively). In food, prices of fruit went down (-5.0%), flour (-2.2%), milk (-1.7%), yoghurts (-2.4%), oils and fats (-1.5%), food products not elsewhere classified (-1.3%).

Prices of goods in total rose by 0.1% and prices of services by 0.4%.

In terms of the **year-on-year** comparison, in February, the increase in consumer prices was 3.7%, i.e. 0.2 percentage points up on January. An acceleration of the price growth took place particularly in 'miscellaneous goods and services', where the fees paid for the stay at home for the elderly rose by 5.5% (3.0% in January). In 'restaurants and hotels', the growth of prices of catering services in nursery schools accelerated to 8.4% (7.2% in January) and in school canteens to 7.1% (6.1% in January).

A dominant upward effect on the price level came, as before, from prices of 'housing, water, electricity, gas and other fuels' and 'food and non-alcoholic beverages'. In 'housing, water, electricity, gas and other fuels', prices of natural gas rose by 25.1%, electricity by 4.2%, water supply by 12.0%, sewerage collection by 10.6%, heat and hot water by 7.7%. The net actual rentals went up by 5.2%, of which for dwellings with regulated rentals rose by 14.0% and for dwellings with market rentals by 1.4%. In food, prices of bread were higher by 16.6%, rolls and baguettes by 18.9%, meat by 7.0%, fish by 9.5%, eggs by 39.2%, milk by 7.0%, oils and fats by 7.5%, sugar by 27.0%, coffee by 27.3%. In 'health', prices of medicaments and fees paid by patients on prescription drugs rose primarily by 9.4% and prices for hospital services by 41.3% (the effect on the increase in regulatory fees since December 2011). In 'transport', prices of automotive fuel rose by 8.8% and prices of transport services by 6.5%.

The reduction in the y-o-y growth came mainly from prices in 'clothing and footwear', where prices of clothing went down (-4.4%). The drop in prices in 'furnishings, household equipment and routine maintenance of the house' was influenced primarily by lower prices of household appliances (-4.7%), furnishings and household equipment (-1.2%), household textiles (-1.1%). In 'recreation and culture', a decrease in prices of audio-visual, photographic and information processing equipment (-9.9%) continued. In 'communications', prices of mobile phones decreased (-5.3%). In food, especially prices of fruit and vegetables were lower than in the previous year (-2.9% and -11.2%, respectively); prices of potatoes dropped (-40.1%).

Prices of goods in total and services rose (4.1% and 3.0%, respectively). The overall consumer price index excluding imputed rentals was 103.9%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to February 2012 compared with the average CPI in the previous twelve months, stood at 2.2% in February.

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 2.9% in **January**, i.e. 0.1 percentage point down on December. The highest annual rate was observed in Hungary (5.6%), and the lowest in Sweden (0.7%). In Germany, the prices rose by 2.3% in January (the same as in December). In Slovakia, the price increase slowed down to 4.1% (4.6% in December). According to preliminary calculations, the HICP in the Czech Republic in **February 2012** rose by 0.2%, **month-on-month**, and amounted to 4.0% (3.8% in January), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in February 2012** was 2.7%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

The consumer price indices are calculated with new weights, which are derived from the household expenditures in 2010, from January 2012 on the base of a standard revision of the calculations of the price indices. Up to now, indices have been calculated from the technical base December 2009 = 100; now it was replaced by a new technical base December 2011 = 100. Indices calculated that way are chained at all levels of the CZ-COICOP classification to the existing price indices with the base 2005 = 100. Thereby, a continuation of the existing index time series 2005 = 100, from which indices to other bases are derived (previous month = 100, corresponding period of the last year = 100 and annual rolling average, i.e. the average of index numbers over the last 12 months to the average for the previous 12 months) are ensured. A detailed information can be found on the [CZSO](#) web pages.