

# YEAR-ON-YEAR INFLATION UNCHANGED FOR THE THIRD MONTH

## Consumer price indices – March 2014

Consumer prices in March remained unchanged compared with February (monthly change 0.0%). This development was influenced by a price rise primarily in 'food and non-alcoholic beverages' and 'clothing and footwear', which was offset by a price reduction in 'recreation and culture' and 'transport'. The year-on-year growth of consumer prices amounted to 0.2% in March (the same as in January and February).

The **month-on-month** increase in 'food and non-alcoholic beverages' came mainly from the rise in prices of pasta by 3.2%, meat by 0.7%, eggs by 2.3%, milk by 1.5%, yoghurts by 3.8%, other milk products by 1.1%, vegetable fats by 4.9%, non-alcoholic beverages by 1.5%. Prices of vegetables, butter and fruit were particularly lower in comparison with February (-3.1%, -3.1% and -0.2%, respectively). In 'clothing and footwear', prices of both clothing and footwear rose (0.9% and 1.3%, respectively).

A contrary effect on the overall consumer price level in March owed to a drop in prices in 'recreation and culture', where seasonal prices of package holidays dropped (-3.9%). In 'transport', fuel prices decreased (-0.9%).

Prices of goods in total rose by 0.1%, while prices of services went down (-0.1%).

In terms of the **year-on-year** comparison, in March, the increase in consumer prices was 0.2%, i.e. the same as in February. However, some consumer basket divisions showed a different price development in these months. A rise in the price growth occurred especially in 'clothing and footwear', where prices of clothing were higher by 1.5% in March (0.5% in February) and footwear by 7.9% (7.1% in February). An acceleration of the y-o-y price rise was shown also in 'alcoholic beverages and tobacco' due to the increase in prices of spirits by 5.9% (3.2% in February). A slowdown in the price growth was observed in 'food and non-alcoholic beverages' due to the lower month-on-month rise in prices in March 2014 than in March 2013. The y-o-y growth decelerated primarily in prices of butter to 12.6% (15.3% in February) and prices of vegetables to 2.9% (13.2% in February). Bread prices went down by 0.5% (a growth of 3.2% in February) and non-alcoholic beverage prices by 1.0% (a growth of 0.9% in February). In 'transport', prices moved from a moderate rise in February to a decrease in March due to the development of fuel prices, which dropped in March (-1.6%), while the growth of these prices was zero in February.

The biggest upward effect on the y-o-y consumer price level came, as before, from prices in 'food and non-alcoholic beverages'. Another significant impact on the overall level of consumer prices came from prices in 'alcoholic beverages and tobacco', where prices of tobacco products went up by 5.1% and prices of alcoholic beverages by 4.0%.

The reduction of the y-o-y price growth came from the prices in 'housing, water, electricity, gas and other fuels' due to a drop in prices of electricity and natural gas (-10.5% and -9.1%, respectively). Prices of the net actual rentals went up by 1.4%, water supply by 3.4%, sewage collection by 3.2%, heat and hot water by 0.8%. In 'communication', prices of telephone and telefax services and prices of mobile phones were lower (-9.3% and -16.8%, respectively). In 'furnishings, household equipment and routine household maintenance', the price decrease was influenced primarily by lower prices of household appliances (-4.0%).

Prices of goods in total and prices of services went up (0.3% and 0.2%, respectively). The overall consumer price index excluding imputed rentals was 100.2%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to March 2014 compared with the average CPI in the previous twelve months, stood at 1.0% in March.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices (HICP)**<sup>1)</sup> in the **EU28 member states** was **0.8% in February**, i.e. 0.1 percentage point down on January. Prices grew the most in Finland and Malta (1.6%). On the other hand, a year-on-year price decrease occurred in Bulgaria (-2.1%), Cyprus (-1.3%), Greece (-0.9%), Croatia (-0.2%) and Portugal (-0.1%) in February. In Slovakia, prices went down by 0.1% in February (0.0% in January). In Germany, the price rise slowed down to 1.0% in February (1.2% in January). According to preliminary calculations, the HICP in the Czech Republic in **March 2014** rose by 0.1%, **month-on-month**, and by 0.3% (the same as in January and February), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in March 2014** amounted to 0.5%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

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Starting from January 2014, the consumer price indices are calculated with updated weights, which are derived from the household expenditures in 2012. The new calculated indices are chained at all levels of the consumer basket with the original base period 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 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) is ensured.

A new consumer basket is available on the CZSO web pages: [consumer basket](#)

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<sup>1)</sup> So far, imputed rentals have been excluded from the HICP