

YEAR-ON-YEAR INFLATION SLIGHTLY SLOWED DOWN AGAIN

Consumer price indices – October 2013

Consumer prices in October rose by 0.2% compared with September. This increase came primarily from a price rise in 'alcoholic beverages, tobacco' and 'clothing and footwear'. The year-on-year growth of consumer prices decelerated to 0.9% in October (1.0% in September).

The **month-on-month** growth of consumer prices in 'alcoholic beverages, tobacco' came from the rise in prices of spirits and bottled beer (3.3% and 2.5%, respectively). Prices of tobacco products went up by 0.3%. In 'clothing and footwear', prices of clothing and footwear increased (2.9% and 5.4%, respectively). In food, prices of eggs were higher by 2.5%, yoghurts by 2.1%, butter by 2.2%, sugar by 1.5% and non-alcoholic beverages by 1.8%.

A contrary effect on the consumer price level owed mainly to a drop in prices in 'transport', where fuel prices went down (-2.1%) in October after four months of the growth. A moderate decline in 'food and non-alcoholic beverages' was influenced primarily by a reduction of prices of fruit and vegetable fats (-6.4% and -1.4%, respectively). In 'health', amounts paid by patients for drugs were down as well as prices of spa care (-0.5% and -5.4%, respectively).

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

In terms of the **year-on-year** comparison, in October, the increase in consumer prices was 0.9%, i.e. 0.1 percentage point down compared with September. A deceleration of the price rise came particularly from 'food and non-alcoholic beverages', where fruit prices moved from a growth of 5.0% in September to a drop (-4.5%) in October. Prices of flour were higher by 7.4% (15.2% in September), meat by 2.6% (4.0% in September), milk by 11.3% (14.4% in September), butter by 14.3% (21.9% in September). In 'alcoholic beverages, tobacco', the rise in prices of wine slowed down to 2.0% (4.3% in September) and beer to 0.7% (3.0% in September).

The biggest upward effect on the y-o-y consumer price level came, as before, from prices in 'food and non-alcoholic beverages' and 'housing, water, electricity, gas and other fuels'. In food, prices of vegetables were higher by 16.4%, of which prices of potatoes by 82.0%, y-o-y. Prices of cheese rose by 9.8%, yoghurts by 7.6%, other milk products by 7.2%. In 'housing, water, electricity, gas and other fuels', the net actual rentals went up by 2.4%, water supply by 6.6%, sewerage collection by 7.1%, prices of electricity by 3.3%, heat and hot water by 3.8%. Prices of natural gas were lower, year-on-year (-6.9%). Another more significant impact on the overall level of consumer prices came from prices in 'alcoholic beverages, tobacco', where prices of spirits increased by 2.9%, tobacco products by 4.6%.

The reduction of the y-o-y price growth came from the decrease in prices in 'communication', where prices of telephone and telefax services were lower (-11.5%). The drop in prices in 'furnishings, household equipment and routine household maintenance' was influenced primarily by Loir prices of household appliances (-3.7%). In 'transport', fuel prices were lower (-4.0%).

Prices of goods in total and prices of services increased (1.0% and 0.9%, respectively). The overall consumer price index excluding imputed rentals was 101.0%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2013 compared with the average CPI in the previous twelve months, stood at 1.6% in October.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices (HICP)**¹⁾ in the **EU28 member states** was 1.3% in **September**, i.e. 0.2 percentage points down on August. Prices grew most in United Kingdom (2.7%) and Estonia (2.6%). On the other hand, a year-on-year price decrease occurred in Bulgaria (-1.3%), Greece (-1.0%) and Latvia (-0.4%) in September. In Germany, the price rise remained unchanged compared with August (i.e. 1.6%). In Slovakia, the price increase decelerated to 1.1% in September (1.4% in August). According to preliminary calculations, the HICP in the Czech Republic in **October 2013** increased by 0.2%, **month-on-month**, and by 0.8% (1.0% in September), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in October 2013** was 0.7%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

¹⁾ So far, imputed rentals have been excluded from the HICP