

Consumer prices fell slightly month-on-month

Consumer price indices – September 2011

Consumer prices decreased in September by 0.2 %, month-on-month. This drop came primarily from a price fall in seasonal recreational stays in 'recreation and culture'. The year-on-year growth of consumer prices accelerated moderately to 1.8 % in September (1.7 % in August).

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The **month-on-month** consumer price decrease by 0.2 % owed primarily to a fall in prices of package holidays by 13.3 % (similarly as in the previous years) due to the end of summer season. In 'transport', prices of automotive fuel were lower by 0.2 %. In food, prices of cooking oils decreased primarily by 2.6 %, apples by 6.0 %, stone fruit and berries by 8.6 %, potatoes by 5.5 %, other vegetables (root vegetable and cabbages) by 9.8 %.

The rise in the price level was influenced primarily by a rise in prices of clothing and footwear (1.7 % and 3.6 %, respectively). In 'food and non-alcoholic beverages', prices of bread were mainly higher by 1.6 %, eggs by 9.9 %, citrus fruit by 7.0 %, vegetables cultivated for their fruit by 17.6 %, jams by 4.4 % and non-alcoholic beverages by 1.0 %. As the new school year started, fees in kindergartens increased particularly by 4.1 %, in after school care centres by 5.9 %, tuition at private high schools by 1.5 %, tuition at colleges and universities by 2.4 %. Similarly in 'restaurants and hotels', prices of canteen meals in kindergartens rose by 3.5 %, in school canteens by 2.6 % and accommodation in boarding schools by 2.1 %.

Prices of goods in total increased by 0.2 %, while prices of services dropped by 0.7 %.

In terms of the **year-on-year** comparison, in September, the increase in consumer prices was 1.8 %, i.e. 0.1 percentage points up on August. This development was influenced particularly by an acceleration of 'food and non-alcoholic beverages', 'transport', 'restaurants and hotels'. In 'food and non-alcoholic beverages', the rise in prices of rolls and baguettes accelerated primarily to 39.0 % (from 33.7 % in August), sugar to 33.7 % (from 27.3 % in August) and non-alcoholic beverages to 9.5 % (from 8.8 % in August). In fruit, the drop in prices slowed down to 6.4 % in September (from 7.3 % in August). In 'transport', the rise in prices of automotive fuel accelerated to 10.7 % in September, year-on-year (from 9.9 % in August). Prices of transport services went up by 2.1 % (1.7 % in August). In public catering, prices in company canteens were higher by 4.2 % (3.1 % in August), in school canteens by 3.2 % (0.8 % in August) and in kindergartens by 3.7 % (0.5 % in August).

The highest upward effect on the consumer price level came from prices in 'food and non-alcoholic beverages' and 'housing, water, electricity, gas and other fuels'. Prices of bread were higher by 26.3 %, flour by 32.1 %, milk by 11.4 %, cooking oils by 19.1 %, cocoa by 14.7 %, coffee by 25.5 %. In 'housing, water, electricity, gas and other fuels', prices of natural gas increased by 11.5 %, electricity by 4.8 %, water supply by 6.2 %, sewerage collection by 5.8 %, heat and hot water by 1.6 %. The net actual rentals increased by 3.3 %, of which for dwellings with regulated rentals rose by 9.0 % and for dwellings with market rentals by 0.8 %.

Prices in 'clothing and footwear' were lower than in the previous year due to a drop in prices of clothing (-1.9 %). The year-on-year fall in prices of household appliances continued (-5.2 %). In 'communications', prices of mobile phones decreased (-9.6 %). In 'recreation and culture', prices of audio-visual, photographic and information processing equipment were lower (-12.1 %). Prices of package holidays were lower (-1.0 %) than in September 2010.

Prices of goods in total increased by 2.3 % and prices of services rose by 1.1 %. 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 September 2011 compared with the average CPI in the previous twelve months, stood at 1.8 % in September.

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 2.9 % in **August 2011** (the same as in July). The highest annual rates were observed in Estonia (5.6 %) and the lowest in Ireland (1.0 %). In Germany, the y-o-y growth decelerated to 2.5 % (2.6 % in July). In Slovakia, the increase in the HICP accelerated to 4.1 % (3.8 % in July). According to preliminary calculations, the HICP in the **Czech**

Republic in September 2011 decreased by 0.2 %, **month-on-month**, and went up by 2.1 % (the same as in August), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in August 2011** was 3.0 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

In September 2011, in comparison to August 2011, consumer prices dropped in **households of pensioners** by 0.2 %. It was recorded a lower consumer price index for 'recreation and culture' by 3.2 %. The decrease was affected particularly by lower prices of recreational stays abroad and domestic recreational stays. Lower index was registered for 'furnishings, household equipment and routine maintenance of the house' by 0.4 % due mainly to a decrease in prices of non-electric kitchen utensils and cutlery. On the other hand, a higher index was recorded for 'clothing and footwear' by 2.1 % mainly due to higher prices of footwear and ready-made clothing. A rise was recorded for 'education' by 1.7 % as well, primarily due to the increase in prices of education not definable by level.

In the capital city of Prague, the overall consumer price index (cost of living) decreased by 0.3 % month-on-month (-0.2 % in the whole Czech Republic). The consumer price index for 'recreation and culture' decreased by 3.8 % (-3.9 % in the Czech Republic) due primarily to lower prices of recreational stays abroad and domestic recreational stays. Prague registered a lower index for 'furnishings, household equipment and routine maintenance of the house' by 0.6 % (-0.2 % in the Czech Republic) due to lower prices of detergents. The consumer price index for 'alcoholic beverages, tobacco' went down by 0.4 % (an increase 0.1 % in the Czech Republic), affected by lower prices of beer and spirits. On the other hand, an increase occurred in 'clothing and footwear' by 3.7 % (2.0 % in the Czech Republic) as a result of higher prices of women's ready-made clothing and women's footwear in particular.