

Marked increase in automotive fuel prices Consumer price indices – May 2008

The consumer price level in May increased compared with April by 0.5%. An upward effect on the consumer price level, month-on-month, came mainly from the price rise in 'transport' and 'food and non-alcoholic beverages'. The year-on-year rise in consumer prices remained unchanged and amounted to 6.8% in May (the same as in April).

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The **month-on-month** consumer price level increase by 0.5% owed mainly to the price rise in automotive fuel by 3.9%. Diesel oil price increased by 5.8% to reach maximum in its history. Prices of petrol Natural 95 were the highest since October 2005. In 'food and non-alcoholic beverages', prices of vegetables including potatoes rose by 8.0%, fruit by 1.0%, bread by 1.1%, flour by 3.1%, rice by 3.9%, vegetable fats by 4.9% and prices of seasonings by 5.3%. In 'health', prices of stays at spas went up by 7.5% and medicaments by 0.6%.

A small downward effect on the consumer price level came from the price decrease in 'recreation and culture' due to the price drop in audio-visual and photographic equipment and data-processing equipment by 1.5%. The price fall in 'communications' came from lower prices of mobile phones by 3.6%. In food, lower prices were recorded especially for rolls and baguettes by 2.6%, eggs by 3.2%, cheese by 2.5% and butter by 2.6%.

Prices of goods in total increased by 0.5%, while prices of services rose by 0.3%.

In terms of the **year-on-year** comparison, in May, the increase in consumer prices was 6.8%, i.e. the same as in April. Year-on-year changes in the price level remained more or less the same also in the majority of divisions in the consumer basket. The price growth acceleration came mainly from prices in 'food and non-alcoholic beverages', where prices of flour went up by 54.7% (50.7% in April), rice by 28.5% (24.7% in April) and yoghurts by 9.9% (7.6% in April). The y-o-y drop in prices of vegetables including potatoes slowed down to 3.0% from 17.7% in April. A slowdown in the price growth was recorded in 'alcoholic beverages, tobacco' due to decelerated increase in prices of tobacco products to 14.3% (from 16.6% in April) and alcoholic beverages to 2.9% (from 3.9% in April).

The biggest effect on the price level still belonged to 'housing, water, electricity, gas and other fuels', where prices of natural gas were higher by 18.4%, electricity by 9.5%, heat and hot water by 11.4% and solid fuels by 20.9%. Water supply and sewerage collection charges were higher (by 8.3% and 9.1%, respectively). Net actual rentals increased by 16.6%, of which for dwellings with regulated rentals by 26.4%, while for dwellings with market rentals by 2.1%. Prices of automotive fuel rose by 7.6%, of which prices of diesel oil by 18.2% and petrol by 5.0% to 5.8%.

Compared with 2007, prices of clothing were lower by 2.2%, prices of devices and household appliances by 1.6%, prices of transport vehicles by 2.0% and prices of audio-visual and photographic equipment and data-processing equipment by 11.2%. In food, mainly prices of potatoes were lower, year-on-year, (by 37.9%). In 'communications', prices of mobile phones decreased and so did prices of telephone and telefax services due to commercial discounts provided by mobile operators.

Prices of goods in total grew by 6.1% and prices of services by 8.0%.

Inflation rate, i.e. the increase in the **average consumer price index in the twelve months to May 2008** compared with the average CPI in the previous twelve months, stood at 5.0% in May (0.3 percentage point up compared with April 2008).

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 3.6% in **April** (0.1 p.p. down on March). The highest annual rates were observed in Latvia (17.4%) and Bulgaria (13.4%), and the lowest rate in the Netherlands (1.7%). The growth of consumer prices in Slovakia accelerated to 3.7% in April (from 3.6% in March). In Germany, the price growth of consumer prices decelerated to 2.6% (from 3.3% in March).

According to preliminary calculations, the HICP in the **Czech Republic in May 2008** increased by 0.4%, **month-on-month**, and accelerated to 6.8% (from 6.7% in April), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in May 2008** was 3.6%, y-o-y, as Eurostat announced (more information on Eurostat's web pages: [HICP](#)).