

Prices of automotive fuel continued to grow, food prices dropped

Consumer price indices – June 2009

The total consumer price level in June remained unchanged compared with May (index 100.0 % month-on-month). This development came mainly from an increase in prices of automotive fuel and a drop in food prices like in the previous month. The year-on-year consumer price growth decelerated further to 1.2 % in June (from 1.3 % in May).

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The **month-on-month** consumer price development was influenced primarily by a price rise in 'transport', in which the price increase of automotive fuel continued for the fifth month to reach 5.8 % in June. Since October 2008 the highest average price of petrol Natural 95 was registered in June. In food, prices of potatoes increased by 28.3 % because market offer switched from old to new potatoes.

An opposite effect on the consumer price level came from a price decrease in majority of food, which continued for the fifth month. Prices of rolls and baguettes were lower by 9.4 %, flour by 10.6 %, other fruit by 26.0 % and vegetables grown for fruit by 26.1 %. In 'alcoholic beverages, tobacco', prices of alcoholic beverages decreased by 0.6 %. In 'miscellaneous goods and services', prices of electrical appliances for personal care fell due to discounts on sales by 2.5 %.

Prices of goods in total remained unchanged, while prices of services rose by 0.1 %.

In terms of the **year-on-year** comparison, in June, the increase in consumer prices was 1.2 %, i.e. 0.1 percentage point down on May. This is the lowest year-on-year growth since December 2003. The deceleration of y-o-y price growth came mainly from deeper price drop in 'food and non-alcoholic beverages', in which prices of bread and cereals were lower by 10.8 % (-9.4 % in May), oils and fats by 5.7 % (-4.5 % in May) and fruit by 12.7 % (-10.9 % in May). Prices of potatoes in spite of their high month-on-month increase (which was lower than in the previous year) turned from a growth by 5.6 % in May to a drop by 10.2 % in June. On the other hand, in 'transport', the price drop slowed down due to lower prices of automotive fuel by 14.8 % (-16.8 % in May).

Prices of clothing were lower than in the previous year (-3.2 %), footwear (-1.6 %), household appliances (-1.1 %), detergents (-10.8 %), cars (-9.8 %), audiovisual and photographic equipment and data-processing equipment (-10.6 %). Prices of mobile phones also decreased and so did prices of telephone and telefax services (-16.3 % and -4.0 %, respectively).

The most marked growth was reported for 'alcoholic beverages, tobacco' due to a 14.8 % price increase in tobacco products. The second biggest growth was registered in 'housing, water, electricity, gas and other fuels', in which prices of natural gas rose by 17.1 %, prices of electricity by 11.6 %, heat and hot water by 7.5 %, water supply by 9.2 % and sewerage collection by 9.0 %. Net actual rentals rose by 19.0 %, of which for dwellings with regulated rentals by 27.1 %, while for dwellings with market rentals by 4.5 %.

Prices of goods in total dropped by 0.2 % and prices of services were higher by 3.4 %. The overall consumer price index excluding imputed rentals was higher by 1.1 %, year-on-year.

Average inflation rate, i.e. **the increase in the average consumer price index in the twelve months to June 2009** compared with the average CPI in the previous twelve months, stood at 3.7 % in June, which is 0.4 percentage point down compared with May 2009.

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 0.7 % in **May** (0.6 percentage point down on April). The highest annual rates were observed in Romania (5.9 %). In the six EU member states was recorded a year-on-year drop in May, in which the deepest in Ireland by 1.7 %. In Germany, the reported growth of prices was 0.0 % in May (0.8 % in April), in Slovakia the growth decelerated to 1.1 % (from 1.4 % in April). According to preliminary calculations, the rise in the HICP in the **Czech Republic in June 2009** was 0.0 %, **month-on-month**, and decelerated to 0.8 % (0.9 % in May), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in June 2009** was -0.1 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

In June 2009, in comparison to May 2009, consumer prices dropped in **households of pensioners** by 0.1 %. It was recorded a lower consumer price index for 'food and non-alcoholic beverages' by 0.5 %. The decrease was affected particularly by lower prices of rolls and baguettes, wheat flour, vegetables, rice, eggs and egg products. Lower index was registered for 'miscellaneous goods and services' by 0.2 % due mainly to a decrease in prices of electrical appliances for personal care and beauty products. In 'alcoholic beverages and tobacco', the consumer price level decreased by 0.2 %. A downward effect on the consumer price level came primarily from the drop in prices of spirit and beer. On the other hand, a higher index was recorded for 'transport' (2.3 %) mainly due to higher prices of automotive fuel.

In the capital city of Prague, the overall consumer price index (cost of living) rose by 0.1 % month-on-month (0.0 % in the whole Czech Republic). The consumer price index for 'transport' increased by 1.6 % (2.0 % in the Czech Republic) due primarily to higher prices of automotive fuel. Prague registered a higher index for 'restaurants and hotels' by 0.4 % (0.1 % in the Czech Republic) particularly due to higher prices of meals provided by restaurants and beer provided by restaurants. The consumer price index for 'health' went up by 0.3 % (0.1 % in the Czech Republic), affected mainly by higher prices of prescription drugs and therapeutic appliances and equipment. On the other hand, a drop occurred in 'food and non-alcoholic beverages' by 0.7 % (by 0.7 % in the Czech Republic as well) as a result of lower prices of wheat flour, rolls and baguettes, rice and vegetables in particular.