

YEAR-ON-YEAR INFLATION ONLY 0.1%

Consumer price indices – April 2014

Consumer prices in April remained unchanged compared with March (monthly change 0.0%). This development was influenced by a price rise in 'clothing and footwear', which was offset by a price reduction in 'food and non-alcoholic beverages' and 'alcoholic beverages and tobacco'. The year-on-year growth of consumer prices slowed down to 0.1% in April (0.2% in March).

The **month-on-month** increase in 'clothing and footwear' came mainly from the seasonal rise in prices of clothing by 3.8% and footwear by 8.5%. In health, amounts paid by patients for pharmaceutical products were 0.7% up and prices of stays at spas by 2.8%. In 'restaurants and hotels', prices of catering services were higher by 0.2% and prices of accommodation services by 1.4%. In 'miscellaneous goods and services', prices of articles for personal hygiene rose by 1.1%.

A contrary effect on the overall consumer price level in April owed to a drop in prices in 'food and non-alcoholic beverages' due to the reduction in prices of many kind of food. Prices of vegetables were mainly lower (-3.0%) in comparison with March as well as prices of fruit, (-0.9%), rolls and baguettes (-1.1%), eggs (-4.6%), butter (-2.1%), sugar (-3.8%), chocolate and chocolate-based products (-2.3%), non-chocolate confectionery (-4.5%) and non-alcoholic beverages (-2.2%). Prices of bread were higher by 0.8% compared with March, durable pastry by 1.1%, canned meat by 4.0%, soups and sauces by 3.2%, salt and spice by 3.4%. In 'alcoholic beverages and tobacco', the drop in prices was influenced by lower prices of spirits (-3.5%), wine (-1.1%) and beer (-1.6%).

Prices of goods in total dropped (-0.2%), while prices of services went up by 0.2%.

In terms of the **year-on-year** comparison, in April, the increase in consumer prices was 0.1%, i.e. 0.1 percentage point down on March. A slowdown in the price growth was shown primarily in 'alcoholic beverages and tobacco', due mainly to prices of spirits, which decreased by 2.7%, y-o-y, (a rise 5.9% in March). A deceleration in the price growth occurred also in 'food and non-alcoholic beverages', where the increase in prices of pasta, rice, butter, potatoes and non-chocolate confectionery slowed down.

The biggest upward effect on the y-o-y consumer price level came, as before, from prices in 'food and non-alcoholic beverages', despite a slowdown in their growth. Prices of meat rose by 3.4%, milk by 13.9%, cheese by 12.3%, yoghurts by 20.6%, other milk products by 8.8%, butter by 9.8%, fruit by 6.0%, potatoes by 7.3%. On the other hand, prices of rolls and baguettes dropped by 3.1%, flour by 2.8%, eggs by 11.4%, sugar by 4.8%, chocolate and chocolate-based products by 2.0%, non-alcoholic beverages by 2.6%.

The reduction of the y-o-y price growth came from 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 1.1%, water supply by 3.4%, sewage collection by 3.2%, heat and hot water by 0.2%. In 'communication', prices of telephone and telefax services and prices of mobile phones were lower (-7.9% and -14.8%, respectively). In 'furnishings, household equipment and routine household maintenance', the price decrease was influenced primarily by lower prices of household appliances (-3.0%).

Prices of goods in total went down (-0.2%), prices of services rose by 0.5%. The overall consumer price index excluding imputed rentals was 100.0%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to April 2014 compared with the average CPI in the previous twelve months, stood at 0.9% in April.

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 **0.6% in March**, i.e. 0.2 percentage point down on February. Prices grew the most in the United Kingdom (1.6%). On the other hand, a year-on-year price decrease occurred in eight EU countries, of which the most in Bulgaria (-2.0%) and Greece (-1.5%). In Slovakia, prices went down (-0.2%) in March. In Germany, the price rise slowed down to 0.9% in March (1.0% in February). According to preliminary calculations, the HICP in the Czech Republic in **April 2014** remained unchanged, **month-on-month**, and was higher by 0.2% (0.3% in March), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in April 2014** amounted to 0.7%, 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](#)

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