

# YEAR-ON-YEAR GROWTH OF CONSUMER PRICES REMAINED UNCHANGED

## Consumer price indices – inflation – August 2019

Consumer prices in August increased by 0.1% compared with July. This development came from a price increase in 'alcoholic beverages, tobacco' and in 'housing, water, electricity, gas and other fuels'. Consumer prices increased by 2.9% in August as in July, year-on-year.

### Month-on-month comparison

Price rise in 'alcoholic beverages, tobacco' was caused by higher prices of spirits by 3.7%. In 'recreation and culture', prices of package holidays were higher by 2.8%. In 'restaurants and hotels' prices of catering services increased by 0.3%. In food, especially prices of meat went up by 1.1%, of which prices of sausages and smoked meat were higher by 1.7%. Prices of non-alcoholic beverages were higher by 0.7%.

The decrease in overall consumer price level in August came from prices in 'food and non-alcoholic beverages'. Prices of vegetables were lower by 4.6%, of which prices of potatoes dropped by 14.5%. Prices of bread and cereals went down by 0.7%, cheese and curd by 0.8% and fruit also by 0.8%. In 'clothing and footwear', prices of garments went down by 0.8%. The decrease in prices of 'furnishings, household equipment and routine household maintenance' was due to lower prices of tools and equipment for house and garden by 4.0% and goods and services for routine household maintenance by 1.4%.

Prices of goods in total went down by 0.1%, whereas prices of services went up by 0.5%.

### Year-on-year comparison

In terms of the year-on-year comparison, in August, the consumer prices increased by 2.9% as in July. The price development in the individual divisions of consumer basket varied in August. Slowdown in the year-on-year price growth occurred mainly in 'food and non-alcoholic beverages', 'housing, water, electricity, gas and other fuels', 'miscellaneous goods and services'. In 'food and non-alcoholic beverages' prices of potatoes rose by 38.2% (65.7% in July). In 'housing, water, electricity, gas and other fuels', year-on-year price growth slowed, mainly due to lower month-on-month price growth in August 2019 than in August 2018. Prices of electricity increased year-on-year by 9.9% (10.4% in July), solid fuels by 1.2% (1.5% in July), heat energy by 4.9% (5.2% in July). In 'miscellaneous goods and services', prices of personal care products and services were higher by 3.1% (3.8% in July). On the other hand, the year-on-year price growth accelerated in 'alcoholic beverages, tobacco' due to prices of spirits, which were higher by 6.2% in August, while in July the price growth was zero. In 'recreation and culture', the growth in prices of package holidays accelerated the price rise to 7.8% (7.1% in July).

The biggest influence on the growth of the year-on-year price level in August came from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing went up by 3.9%, water supply and sewage collection identically by 2.6% and natural gas by 3.6%. Second in order of influence were prices in 'food and non-alcoholic beverages' (increase by 3.9%). The impact on the price level increase had also prices in 'restaurants and hotels, where prices of catering services increase by 4.7% and prices of accommodation services by 2.3%.

A reduction in the price level in August came from prices in 'clothing and footwear' due to prices of garments, which were lower by 3.0%. The drop in prices also continued in 'transport', where prices of fuels and lubricants for personal transport equipment were lower by 1.9%, year-on-year. In 'communications', prices dropped by 1.4%.

Prices of goods in total and services went up (2.5% and 3.8%, respectively). The overall consumer price index excluding imputed rentals for housing was 102.8%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to August 2019 compared with the average CPI in the previous twelve months, amounted to 2.6% in August.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices** (HICP)<sup>1)</sup> in the **EU28 member states** amounted to 1.4% **in July**, (0.2 percentage points down on June). The rise in prices was the highest in Romania (4.1%). By contrast, in Portugal, as in the only EU country, prices fell by 0.7%. In Slovakia, price growth accelerated to 3.0% in July from 2.7% in June. In Germany, prices increased by 1.1% (1.5% in June). According to preliminary calculations, the **month-on-month** change in the HICP in the Czech Republic **in August** amounted to 0.1% and the **year-on-year** growth was 2.6%. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in August 2019** amounted to 1.0%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

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<sup>1)</sup> Imputed rentals are excluded from the HICP.