

# MONTH-ON-MONTH CONSUMER PRICE LEVEL REMAINED UNCHANGED

## Consumer price indices – inflation – March 2017

Consumer prices in March remained unchanged compared with February (monthly change 0.0%). This development was primarily due to a rise in prices in 'alcoholic beverages and tobacco', which was offset by a decrease in prices in 'recreation and culture'. The year-on-year growth of consumer prices amounted to 2.6%, i.e. 0.1 percentage point up on February.

The **month-on-month** rise in consumer prices in 'alcoholic beverages and tobacco' came from the increase in prices of beer by 2.9% and tobacco products by 0.5%. In 'furnishings, household equipment and routine household maintenance', prices of goods and services for routine household maintenance rose by 2.1% in particular. In 'clothing and footwear', the growth of prices was influenced by higher prices of garments by 0.9% and shoes and other footwear by 1.1%. In 'food and non-alcoholic beverages', fruit prices were mainly higher by 4.1%, bread and cereals by 1.1%, meat by 0.7%, cheese by 1.4%, yoghurts by 4.0%, butter by 2.9%, non-alcoholic beverages by 2.2%.

A drop in the price level came primarily from a price decrease in 'recreation and culture' due to lower prices of package holidays by 6.1% in March. In 'food and non-alcoholic beverages', a decline of prices was caused primarily by vegetable prices, which were lower by 10.7%, of which prices of vegetables cultivated for their fruit by 18.4%. In 'miscellaneous goods and services', prices of personal care went down by 0.8%. The price development in 'transport' was influenced by prices of automotive fuel, which declined by 0.6% in March after six months of growth.

Prices of goods in total went up by 0.1%, while prices of services decreased by 0.2%.

In terms of the **year-on-year** comparison, in March, the consumer prices increased by 2.6%, i.e. 0.1 percentage point up on February. This development was caused especially by a slowdown in the price drop in 'furnishings, household equipment and routine household maintenance'. Prices of household appliances went down by 1.2% in March (-1.5% in February) and prices of goods and services for routine household maintenance by 1.3% (-5.8% in February).

The biggest influence on the growth of the y-o-y price level in March came again from prices in 'food and non-alcoholic beverages'. Prices of rolls and baguettes went up by 9.0% in March, eggs by 18.9%, cheese by 16.4%, butter by 21.7%, sugar by 25.5%. Next in order of influence were prices in 'transport', where prices of automotive fuel rose by 16.8%. In 'alcoholic beverages and tobacco', prices of spirits increased by 3.8% and prices of tobacco products by 4.9%. The rise in the price level came also from prices in 'housing, water, electricity, gas and other fuels', where prices of the net actual rentals rose by 2.5%, water supply by 2.2%, sewage collection by 2.4%, electricity by 0.3%, solid fuels by 5.3%. In 'restaurants and hotels', prices of catering services went up by 6.0% and prices of accommodation services by 1.5%. In 'miscellaneous goods and services', prices of insurance were higher by 3.6%.

A reduction in the price level came from the price decrease in 'furnishings, household equipment and routine household maintenance' (-0.3%). In 'housing, water, electricity, gas and other fuels', prices of natural gas and prices of heat and hot water went down (-7.1% and -0.7%, respectively).

Prices of goods in total went up by 2.5% and prices of services by 2.7%. The overall consumer price index excluding imputed rentals was 102.5%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to March 2017 compared with the average CPI in the previous twelve months, amounted to 1.2% in March.

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 1.9% in **February**, i.e. 0.2 percentage points more than in January. The rise in prices was the highest in Estonia (3.4%) and Belgium (3.3%) and the lowest in Ireland (0.3%). In Slovakia, the price increase accelerated to 1.3% in February from 0.9% in January. In Germany, prices rose by 2.2% (1.9% in January). According to preliminary calculations, the HICP in the Czech Republic in **March** amounted to 0.0%, **month-on-month**, and the **year-on-year** growth was 2.6% (the same as in February). The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in March 2017** was 1.5%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

In March 2017, in comparison with February, the overall consumer price level in **households of pensioners** remained unchanged. In 'health', the rise in prices occurred by 1.0%. Prices of prescription medicines had primarily an influence on the price increase in this division. In 'clothing and footwear', the consumer price index went up by 0.9%. It was caused by prices of shoes and other footwear and prices of garments. In 'alcoholic beverages and tobacco', prices rose by 0.8%. Beer prices were mainly higher. On the other hand, the decrease in prices by 1.5% occurred in 'recreation and culture'. The drop was caused by lower prices of package holidays in particular. In 'food and non-alcoholic beverages', the price decline was recorded by 0.2%. It was due mainly to lower prices of vegetables.

**In the capital city of Prague**, the overall consumer price index (cost of living) remained unchanged, month-on-month (0.0% in the whole Czech Republic as well). In 'health', the consumer price index increased by 1.4% (0.7% in the Czech Republic). Prices of dental services and therapeutic stays at a spa went primarily up. In 'restaurants and hotels', Prague registered a higher price index by 1.0% (0.4% in the Czech Republic). Prices of meals provided by restaurants went especially up in this division. On the other hand, in 'recreation and culture', the consumer price index fell by 1.7% (-1.4% in the Czech Republic). Lower prices of package holidays were particularly collected. In 'miscellaneous goods and services', consumer prices went down by 0.4% (-0.3% in the Czech Republic). The drop was recorded primarily for beauty products.

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The new index time series with the base year 2015 = 100 has been introduced since January 2017. The indices to other bases are calculated from these time series (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). Indices calculated from existing index time series with the base year 2005 = 100 remain valid. The already published data are not revised. The original time series with base year 2005 = 100 are calculated and published, but other indices using these time series are no longer derived.

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<sup>1)</sup> So far, imputed rentals have been excluded from the HICP.