

YEAR-ON-YEAR GROWTH OF CONSUMER PRICES THE LOWEST FOR THE LAST THREE YEARS

Consumer price indices – May 2013

Consumer prices in May decreased by 0.2% compared with April. This drop came primarily from price decreases in 'housing, water, electricity, gas and other fuels' and 'communication'. The year-on-year growth of consumer prices slowed down to 1.3% in May, which is the lowest value since June 2010.

The **month-on-month** decrease in consumer prices came primarily from the fall in prices of natural gas by 6.2% in 'housing, water, electricity, gas and other fuels' and the drop in prices of telephone and telefax services by 3.6% in 'communication'. In 'transport', prices of automotive fuel dropped by 1.7%. In 'miscellaneous goods and services', prices of beauty products were lower by 3.9%.

A contrary effect on the consumer price level owed mainly to an increase in prices in 'food and non-alcoholic beverages' due to the rise in prices of vegetables by 8.0%, of which potatoes by 12.5% and fruit by 4.9%. Prices of oils and fats were higher by 2.9%. A slight price decrease occurred at most of other kinds of food.

Prices of goods in total and prices of services decreased (-0.3% and -0.2%, respectively).

In terms of the **year-on-year** comparison, in May, the increase in consumer prices was 1.3%, i.e. 0.4 percentage points down compared with April. A slowdown in the price rise was primarily due to the prices in 'housing, water, electricity, gas and other fuels', where prices of natural gas turned from a y-o-y growth by 2.1% in April to a drop (-4.2%) in May. In 'alcoholic beverages, tobacco', the rise in prices of spirits slowed down to 7.1% from 8.2% in April. In 'communication', the price drop was deeper due to prices of telephone and telefax services, which went down by 9.8% in May (-6.4% in April). The decrease in prices of automotive fuel deepened slightly as well. These prices were lower by 4.3% (-3.7% in April).

A decisive upward effect on the y-o-y consumer price level came, as before, from prices in 'food and non-alcoholic beverages', while the price influence in 'housing, water, electricity, gas and other fuels' dropped. In food, prices of flour rose by 32.3%, pork by 6.6%, butter by 9.3%, vegetables by 23.1%, of which potatoes by 63.2%, cocoa by 6.6%. In 'housing, water, electricity, gas and other fuels', the net actual rentals went up by 1.9%, water supply by 6.6%, sewerage collection by 7.1%. Prices of electricity rose by 3.3% and heat and hot water by 4.6%. In 'health', amounts paid by patients for drugs increased by 5.2%.

The reduction of the y-o-y price growth came from prices in 'communication' (-9.8%), 'transport' (-1.6%) and 'clothing and footwear' (-2.5%).

Prices of goods in total and prices of services rose (1.5% and 1.1%, respectively). The overall consumer price index excluding imputed rentals was 101.4%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to May 2013 compared with the average CPI in the previous twelve months, stood at 2.5% in May.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP)¹⁾ in the **EU27 member states** was 1.4% in April, i.e. 0.5 percentage points down on March. The highest annual rate was observed in Romania (4.4%). On the other hand, a y-o-y price decrease (-0.6%) occurred in Greece in April. In Germany, the price rise slowed down to 1.1% in April (1.8% in March). In Slovakia, the price increase decelerated to 1.7% in April (1.9% in March). According to preliminary calculations, the HICP in the Czech Republic in **May 2013** dropped (-0.2%), **month-on-month**, and rose by 1.2% (1.7% in April), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** in **May 2013** was 1.4%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

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