

YEAR-ON-YEAR GROWTH OF CONSUMER PRICES REMAINED UNCHANGED

Consumer price indices – inflation – August 2017

Consumer prices in August dropped compared with July by 0.1%. This development was primarily due to the decrease in prices in 'food and non-alcoholic beverages' and further in 'miscellaneous goods and services' and in 'clothing and footwear'. The year-on-year growth of consumer prices amounted to 2.5% in August (the same as in July).

The **month-on-month** decrease in consumer prices in 'food and non-alcoholic beverages' came from lower prices of vegetables by 11.4%, of which prices of vegetables cultivated for their fruit declined by 21.2% and potato prices by 18.5%. Prices of fruit went down by 3.5%. In 'miscellaneous goods and services', primarily prices of personal care were lower by 0.8%. The decline in the price level was caused also by a drop in prices in 'clothing and footwear', where prices of garments went down by 0.6% and prices of shoes and other footwear by 1.4%.

A growth of the price level came primarily from a price increase in 'recreation and culture' due to the rise in prices of package holidays by 1.4%. In food, prices of sausages and smoked meat were especially higher by 1.7% as well as prices of poultry and fresh butter (2.2% and 4.0%, respectively).

Prices of goods in total dropped by 0.4% and prices of services rose by 0.3%.

In terms of the **year-on-year** comparison, in August, the consumer prices increased by 2.5%, the same as in July. In 'transport', prices of automotive fuel moved to a growth by 2.1% in August from a drop by 0.1% in July. In 'communication', the deeper price drop occurred. Prices of mobile phones were lower by 15.0% (-14.6% in July) and prices of telephone and telefax services by 1.0% (-0.8% in July).

The biggest influence on the growth of the y-o-y price level in August came, as before, from prices in 'food and non-alcoholic beverages'. Prices of meat rose by 5.8%, eggs by 33.9%, milk by 14.6%, cheese by 14.6% and fresh butter by 45.5%. Next in order of influence were prices in 'housing, water, electricity, gas and other fuels', where prices of the net actual rentals rose by 2.5%, water supply by 1.2%, sewage collection by 0.4%, electricity by 0.3%. The rise in the price level came also from prices in 'restaurants and hotels', where prices of catering services were higher by 6.7% and prices of accommodation services by 2.1%. In 'transport', the price increase continued as well (2.7%).

A reduction in the price level, year-on-year, came from lower prices in 'furnishings, household equipment and routine household maintenance' (-0.6%). A decrease continued in 'communication' (-1.4%). In 'housing, water, electricity, gas and other fuels', prices of heat and hot water and prices of natural gas were lower (-2.3% and -0.8%, respectively).

Prices of goods in total went up by 2.1% and prices of services by 3.2%. The overall consumer price index excluding imputed rentals was 102.3%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to August 2017 compared with the average CPI in the previous twelve months, amounted to 2.0% in August.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices (HICP)**¹⁾ in the **EU28 member states** amounted to 1.5% in **July**, the same as in June.

¹⁾ Imputed rentals are excluded from the HICP.

The rise in prices was the highest in Lithuania (4.1%) and Estonia (3.9%). On the other hand, the y-o-y drop in prices occurred in Ireland and Cyprus (0.2% and -0.1%, respectively) in July. In Slovakia, the price increase accelerated to 1.5% in July from 1.0% in June. In Germany, prices rose by 1.5% in July (the same as in June). According to preliminary calculations, the HICP in the Czech Republic in **August** went down by 0.2%, **month-on-month**, and remained the same as in July (2.4%), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in August 2017** amounted to 1.5%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)