# Prices of food increased the consumer price index, year-on-year

## Consumer price indices – inflation – January 2020

Consumer prices in January increased by 1.5% compared with December. This development came from a price increase in 'food and non-alcoholic beverages' and in 'alcoholic beverages, tobacco' in particular. The year-on-year growth of consumer prices amounted to 3.6% in January, which was 0.4 percentage points up on December. It was the highest year-on-year growth since March 2012.

**Month-on-month comparison**

The month-on-month rise in consumer prices in 'food and non-alcoholic beverages' came primarily from higher prices of vegetables by 5.7%, of which prices of potatoes went up by 5.8%. Prices of fruit were higher by 5.3%, dried, salted or smoked meat by 1.7%, cheese and curd by 1.7%, poultry by 1.9%, pork by 1.8% and butter by 4.6%. In 'alcoholic beverages, tobacco', prices of spirits went up by 11.4% (partially due to increase of excise tax), wine by 9.4%, tobacco products by 1.5% and beer by 3.7%. The increase in the overall consumer price level in January came also from prices in 'housing, water, electricity, gas and other fuels', where mainly prices of electricity were higher by 3.2%, actual rentals for housing by 1.3%, water supply by 5.3%, sewage collection by 4.5% and natural gas by 0.4%. Price rise in 'recreation and culture' was mainly affected by price increase of package holidays by 9.8%. In 'miscellaneous goods and services', especially prices of products and services for personal care were higher by 2.9%.

The decrease in the overall consumer price level in January came from lower prices in 'clothing and footwear', where prices of garments and shoes and other footwear went down identically by 1.8%. In 'housing, water, electricity, gas and other fuels', prices of heat energy were lower by 1.2% (partially due to reduction of VAT from 15% to 10%). In food, prices of non-alcoholic beverages dropped by 0.7%, in particular.

Prices of goods in total went up by 1.5% and prices of services by 1.4%.

**Year-on-year comparison**

In terms of the year-on-year comparison, in January, the consumer prices rose by 3.6%, i.e. 0.4 percentage points up on December and the highest y-o-y growth since March 2012. The acceleration in the y-o-y price rise came primarily from prices in ‘food and non-alcoholic beverages’. Prices of bread and cereals went up by 4.0% in January (2.5% in December), pork by 18.9% (17.4% in December), dried, salted or smoked meat by 12.2% (9.7% in December), cheese and curd by 4.3% (2.9% in December), fruit by 14.7% (11.1% in December) and vegetables by 7.1% (4.3% in December) of which prices of potatoes were higher by 5.1%, year-on-year in January (2.4% in December) In 'alcoholic beverages and tobacco', the prices of alcoholic beverages went up by 5.2% (3.4% in December) and tobacco products by 2.0% (0.8% in December). Acceleration of y-o-y price growth occurred also in 'clothing and footwear' in January, where prices of garments were higher by 1.4% (0.3% in December) and prices of shoes and other footwear by 1.5% (1.2% in December). Price development in 'transport' was affected by prices of fuels and lubricants for personal transport equipment, which turned from price decrease by 1.2% in December to price rise by 3.5% in January. Slowdown in y-o-y price increase occurred in 'housing, water, electricity, gas and other fuels'. Prices of electricity were higher by 10.0% (12.3% in December) and prices of heat energy remained unchanged (price growth by 4.0% in December).

The biggest influence on the growth of the y-o-y price level in January came from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing increased by 4.2%, water supply by 5.3%, sewage collection by 4.5% and natural gas by 2.9%. Second in order of influence were prices in 'food and non-alcoholic beverages' (a rise by 6.3%). The impact on the price level increase had also prices in 'alcoholic beverages and tobacco', where prices of spirits went up by 7.2%. In 'restaurants and hotels', prices of catering services were higher by 5.4% and prices of accommodation services by 4.4%.

A reduction in the price level in January came again from prices in ‘communication’, mainly due to prices of telephone and telefax services, which were lower by 4.1%.

Prices of goods in total and services went up (3.6% and 3.9%, respectively). The overall consumer price index excluding imputed rentals for housing was 103.6%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to January 2020 compared with the average CPI in the previous twelve months, amounted to 2.9% in January.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices** (HICP)[[1]](#footnote-1)) in the **EU28 member states** amounted to 1.6% **in December** (0.3 percentage point up on November). The rise in prices was the highest in Hungary (4.1%) and Romania (4.0%) and the lowest price increase was in Italy (0.5%) and Portugal (0.4%). In Slovakia, the prices were higher by 3.2% in December as in November. In Germany, prices were higher by 1.5% (1.2% in November). According to preliminary calculations, the HICP in the Czech Republic in January rose by 1.6% **month-on-month** and by 3.8%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** **in January 2020** was 1.4%, y-o-y, as Eurostat announced (more information on the Eurostat’s web pages: [**HICP**](http://ec.europa.eu/eurostat/web/hicp/data/main-tables).)

In January, in comparison with December, the overall consumer price level in **households of pensioners** went up by 1.8%. This development was influenced mainly by prices in 'food and non-alcoholic beverages', which rose by 2.3%. Prices of vegetables, meat and fruit increased in this division, in particular. In 'alcoholic beverages, tobacco' the prices increased by 4.6%. Prices of spirits, wine, tobacco and beer were higher in this division. In 'housing, water, electricity, gas and other fuels', prices went up by 1.7%, mainly due to higher prices of electricity. The price drop by 1.8% in 'clothing and footwear' had the opposite effect on the change in the price level. Prices of garments and prices of shoes and other footwear both decreased in this division.

**In the capital city of Prague**, consumer prices in total went up by 1.4%, month-on-month (1.5% in the Czech Republic). The price level development was mainly influenced by the price rise in 'alcoholic beverages, tobacco' which amounted to 4.8% (4.5% in the Czech Republic). Prices of spirits, wine, tobacco and beer were higher in this division. Prices in 'food and non-alcoholic beverages' went up by 1.9% (2.3% in the Czech Republic). Prices of vegetables and fruit increased in this division, in particular. The price growth by 1.0% (1.1% in the Czech Republic) occurred in 'housing, water, electricity, gas and other fuels'. Especially prices of actual rentals for housing went up. On the other hand, prices decreased by 1.2% in 'clothing and footwear’ in Prague (–1.8% in the Czech Republic). Prices of garments and prices of shoes and other footwear both decreased in this division.

\* \* \*

Starting from January 2020, the consumer price indices are counted on updated weights, which are determined on the base of household expenditure in 2018. These indices are chained at all levels of the consumer basket with the base period average of 2015 = 100. Thereby, a continuation of the existing index time series, from which indices to other bases are derived (previous month = 100, corresponding period of the previous 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.

You can find the new consumer basket on CZSO web pages: [consumer basket.](https://www.czso.cz/csu/czso/what_is_it_inflation_resp_inflation_rate)

1. ) Imputed rentals are excluded from the HICP. [↑](#footnote-ref-1)