

## Rise in prices of automotive fuel continued

### Consumer price indices – April 2010

The total consumer price level in April increased compared with March by 0.3 %. This development came primarily from a price rise in 'transport' and further in 'housing, water, electricity, gas and other fuels', 'clothing and footwear', 'alcoholic beverages, tobacco'. In April the growth of consumer prices accelerated to 1.1 %, y-o-y, (from 0.7 % in March).

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The **month-on-month** consumer price growth by 0.3 % owed to another, this year already third marked price rise in automotive fuel, which reached 2.2 % in April. In total, prices of automotive fuel went up by 12.5 % since January 2010. In April, prices of petrol Natural 95 were the highest since July 2008, prices of diesel oil since October 2008. In 'housing, water, electricity, gas and other fuels', prices of natural gas increased by 3.3 %. Prices of clothing rose by 1.3 % and footwear by 1.8 % primarily due to new seasonal models. In 'alcoholic beverages, tobacco', in which prices of tobacco products went up by 1.0 %, a rise in the excise duty since January 2010 started to be shown with delay. The growth of food prices was influenced by higher prices of vegetables incl. potatoes by 4.0 %, of which prices of potatoes rose by 13.0 %. Prices of fresh and long-life milk were higher by 2.2 %, yoghurts by 2.0 % and chocolate and chocolate confectionery by 2.1 %.

A downward effect on the price level came from a price drop in 'recreation and culture', in which prices of audio-visual, photographic and information processing equipment went down by 1.1 % in particular. In food, prices of rolls and baguettes, pasta and non-alcoholic beverages were moderately lower than in the previous month (-3.1 %, -2.2 % and -1.3 %, respectively). In 'communications', prices of mobile phones went down by 2.0 %.

Prices of goods in total increased by 0.5 % and prices of services by 0.1 %.

In terms of the **year-on-year** comparison, in April 2010, the increase in consumer prices was 1.1 %, which is the acceleration by 0.4 percentage points. The acceleration in the price growth was shown primarily in 'housing, water, electricity, gas and other fuels', in which the y-o-y drop in prices of natural gas by 12.3 % in March slowed down to 6.5 % in April. The y-o-y decrease in prices in 'food and non-alcoholic beverages' slowed down as well. In 'health', the y-o-y price growth of pharmaceuticals was up by 9.7 % (from 2.9 % in March) due to their marked m-o-m drop in April 2009. The price growth of alcoholic beverages accelerated to 5.0 % (from 4.5 % in March) and tobacco products to 2.3 % (from 1.7 % in March).

A marked upward effect on the price level came, as before, from prices of automotive fuel, which were higher by 21.4 %. In 'housing, water, electricity, gas and other fuels', the net actual rentals went up by 10.1 %, of which for dwellings with regulated rentals rose by 18.6 % and for dwellings with market rentals dropped by 0.3 %. Prices of water supply were higher by 3.8 % and sewerage collection by 4.9 %. Prices in 'restaurants and hotels' rose (2.6 % and 1.4 %, respectively). In food, prices of eggs, butter and potatoes were higher (7.9 %, 10.4 % and 12.2 %, respectively).

The reduction of price level came, as before, from prices in 'food and non-alcoholic beverages'. However, their reducing influence stopped to be dominant. Prices of bread were lower by 8.4 %, rolls and baguettes by 26.1 %, flour by 13.5 %, fruit by 4.6 %. Prices of clothing were lower by 2.7 % and footwear by 0.6 %. In 'housing, water, electricity, gas and other fuels', prices of electricity went down by 2.7 %. In 'recreation and culture', prices of audio-visual, photographic and information processing equipment were lower by 8.0 %. In 'communications', prices of mobile phones decreased and so did prices of telephone and telefax services (-14.7 % and -2.5 %, respectively).

Prices of goods in total increased by 0.3 % and prices of services by 2.1 %. The overall consumer price index excluding imputed rentals was 101.0 %, year-on-year.

**Average inflation rate**, i.e. the increase in the average consumer price index in the twelve months to April 2010 compared with the average CPI in the previous twelve months, stood at 0.6 % in April, which is 0.1 percentage point down compared with March 2010.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP) in the **EU27 member states** was 1.9 % in **March 2010** (0.4 percentage point up on February). The highest annual rates were observed in Hungary (5.7 %) and Romania (4.2 %). The number of EU member states, in which a year-on-year drop was recorded, fell from five to three. The biggest decrease was reported for Latvia (-4.0 %). In Germany, the y-o-y growth accelerated

to 1.2 % (from 0.5 % in February). In Slovakia, the price rise was 0.3 % in March (a drop -0.2 % in February). According to preliminary calculations, the HICP in the **Czech Republic in April** increased by 0.4 %, **month-on-month**, and accelerated to 0.9 % (from 0.4 % in March), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in April 2010** was 1.5 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

In April 2010, in comparison to March 2010, consumer prices rose in **households of pensioners** by 0.4 %. It was recorded a higher consumer price index for 'health' by 1.2 %. The increase came mainly from higher fees paid by patients on prescription drugs. Higher index was registered for 'clothing and footwear' by 1.1 % due mainly to an increase in prices of ready-made clothing and footwear. In 'transport', the consumer price level went up by 1.0 %. An upward effect on the consumer price level came primarily from the rise in prices of automotive fuel and the increase in prices of flight tickets in passenger transport by air. On the other hand, a lower index was recorded for 'recreation and culture' (-0.2 %) due mainly to lower prices of flowers and flower products. A drop was recorded for 'education' by 0.1 %, primarily due to the decrease in prices of education not definable by level.

**In the capital city of Prague**, the overall consumer price index (cost of living) increased by 0.3 % month-on-month (by 0.3 % also in the whole Czech Republic). The consumer price index for 'clothing and footwear' increased by 2.3 % (1.3 % in the Czech Republic) due primarily to higher prices of ready-made clothing and footwear. Prague registered a higher index for 'transport' by 1.1 % (1.0 % in the Czech Republic) particularly due to higher prices of automotive fuel and flight tickets in passenger transport by air. The consumer price index for 'health' went up by 0.9 % (0.8 % in the Czech Republic), affected mainly by higher fees paid by patients on prescription drugs. On the other hand, a decrease occurred in 'recreation and culture' by 0.5 % (-0.1 % in the Czech Republic) as a result of lower prices of domestic recreational stays and flowers and flower products, in particular. In 'communications', the drop in prices by 0.2 % (-0.2 % in the Czech Republic as well) came mainly from lower prices of telephone and telefax services.