

FOOD PRICES INCREASED, YEAR-ON-YEAR, AFTER THREE MONTHS

Consumer price indices – inflation – February 2019

Consumer prices in February increased by 0.2% compared with January. This development came from a price rise in 'recreation and culture' and in 'food and non-alcoholic beverages', in particular. The year-on-year growth of consumer prices accelerated to 2.7% in February, which was 0.2 percentage points up on January.

The **month-on-month** rise in consumer prices in 'recreation and culture' was due to especially higher prices of package holidays by 4.9%. In 'food and non-alcoholic beverages', prices of vegetables went especially up by 7.6%, of which prices of potatoes were higher by 9.8%. Average price of potatoes (CZK 22.46 per kg) was the highest from June 2013. The prices of bread and cereals increased by 1.1% and prices of non-alcoholic beverages by 1.8%. The price rise in 'housing, water, electricity, gas and other fuels' came primarily from higher prices of natural gas by 2.5% (partly due to the ending of discounts since February 2018), electricity by 0.6% and actual rentals for housing by 0.4%. In 'furnishings, household equipment and routine household maintenance' prices of household furniture rose by 2.3%.

The decrease in the overall consumer price level in February came from lower prices in 'alcoholic beverages and tobacco', where prices of wine were lower by 5.3%, spirits by 2.5% and beer by 1.1%. In 'clothing and footwear' went down prices of garments by 1.5% and prices of shoes and other footwear by 1.3%. In 'transport', the drop in prices of fuels and lubricants for personal transport equipment continued and was 1.5% in February. The average price of petrol Natural 95 (CZK 30.08 per litre) was the lowest since October 2017 and average price of diesel oil (CZK 30.91 per litre) was the lowest since April 2018. In food were lower mainly prices of butter by 6.3% and fruits by 2.1%.

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

In terms of the **year-on-year** comparison, in February, the consumer prices rose by 2.7%, i.e. 0.2 percentage points up on January. An acceleration in the year-on-year price rise occurred primarily in 'food and non-alcoholic beverages', where prices turned from a fall by 0.2% in January to the rise by 1.3% in February. On this development participated especially prices of vegetables, which went up by 24.2% (13.1% in January), of which potato prices were higher by 67.2% (55.9% in January). Prices of eggs were lower by 14.7% in February (by 22.4% in January) and prices of non-alcoholic beverages came from decrease by 1.4% in January to the rise by 2.3% in February. The prices growth accelerated in division 'housing, water, electricity, gas and other fuels'. Prices of electricity went up by 8.9% (8.2% in January), natural gas by 3.6% (0.0% in January), heat energy by 4.2% (3.8% in January). In 'transport', prices of fuels and lubricants for personal transport equipment slowed down their rise to 0.1% (1.6% in January). In 'clothing and footwear', it came to deepening of price drop due to prices of garments, which were lower by 3.2% in February (by 2.4% in January).

The biggest influence on the growth of the y-o-y price level came, as before, from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing rose by 3.8%, water supply and sewage collection identically by 2.6%. In 'alcoholic beverages and tobacco', prices of spirits were higher by 4.5%, beer by 2.5% and tobacco by 4.3%. The impact on the price level increase had also prices in 'miscellaneous goods and services', where prices of personal care rose by 4.5%, insurance by 5.2%, and financial services by 4.3%. In 'food and non-alcoholic beverages' went up prices of bread and cereals by 1.9%, cheese and curd by 3.0%, butter by 4.0%. In 'restaurants and hotels', prices of catering services were higher by 4.1% and prices of accommodation services by 2.2%.

A reduction in the price level in February came from prices in 'clothing and footwear' (a decrease by 1.2%) and prices in 'communication' (a decrease by 1.3%).

Prices of goods in total and services went up (2.0% and 3.9%, respectively). The overall consumer price index excluding imputed rentals for housing was 102.3%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to February 2019 compared with the average CPI in the previous twelve months, amounted to 2.3% in February.

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 **January** (0.1 percentage point down on December). The rise in prices was the highest in Romania (3.2%) and the lowest price increase was in Greece (0.5%). In Slovakia, the price rise accelerated to 2.2% in January from 1.9% in December. In Germany, prices in December and January were higher by 1.7%. According to preliminary calculations, the **month-on-month** change in the HICP in the Czech Republic in **February** amounted to 0.3% and the **year-on-year** growth was 2.4%. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in February 2019** amounted to 1.5%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

¹⁾ Imputed rentals are excluded from the HICP.