

Food prices continued to grow

Consumer price indices – November 2011

Consumer prices increased in November by 0.4 %, month-on-month. This growth came primarily from a price rise in 'food and non-alcoholic beverages' and 'housing, water, electricity, gas and other fuels'. The increase in consumer prices accelerated to 2.5 %, year-on-year (from 2.3 % in October).

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The **month-on-month** growth of consumer prices of food came, in a different extent, from the majority of kinds of food. Prices of stone fruit and berries and prices of vegetables cultivated for their fruit increased the most (28.6 % and 18.0 %, respectively). Prices of bread and cereals were higher by 0.4 %, meat by 0.8 %, fish by 1.4 %, yoghurts by 5.0 %, other milk products by 4.0 %, sugar by 4.0 %, chocolate and chocolate products by 3.6 %, coffee by 2.3 %. In 'housing, water, electricity, gas and other fuels', prices of natural gas rose by 5.2 %. Prices of clothing went up by 0.5 %. Prices of drugs and fees paid by patients on prescription drugs were higher by 0.9 %. In 'transport', prices of automotive fuel grew by 0.7 %, in which prices of diesel oil by 1.8 %. In November 2011, the average price of diesel oil reached 35.31 CZK per litre and slightly exceeded its historic high from June 2008.

A contrary effect on the price level came primarily from a drop in prices of therapeutic stays at a spa by 5.2 % and domestic recreational stays by 7.5 %. In food, prices of citrus fruit went primarily down by 17.0 %.

Prices of goods in total rose by 0.8 %, while prices of services dropped by 0.2 %.

In terms of the **year-on-year** comparison, in November, the increase in consumer prices was 2.5 %, i.e. 0.2 percentage points up on October. An acceleration of the price growth was particularly shown in 'housing, water, electricity, gas and other fuels', in which the y-o-y rise in prices of natural gas accelerated to 18.3 % (12.5 % in October). Prices of electricity went up by 4.8 %, water supply by 6.2 %, sewerage collection by 5.8 %, heat and hot water by 1.9 %. The net actual rentals increased by 3.7 %, of which for dwellings with regulated rentals rose by 10.4 % and for dwellings with market rentals by 0.8 %.

The highest influence on the y-o-y growth of the overall consumer price level came, as before, from prices in 'food and non-alcoholic beverages' and 'housing, water, electricity, gas and other fuels'. Prices of bread were higher by 18.8 %, rolls and baguettes by 28.9 %, flour by 13.6 %, milk by 8.2 %, edible oils by 13.7 %, sugar by 35.0 %, cocoa by 19.0 %, coffee by 30.5 %. In 'transport', prices of automotive fuel went up by 12.0 %. Prices of drugs and fees paid by patients on prescription drugs rose by 3.4 %.

The reduction in the y-o-y growth came mainly from prices in 'recreation and culture', where prices of audio-visual, photographic and information processing equipment were lower (-11.1 %). The y-o-y drop in prices of household appliances continued (-4.3 %). Prices in 'clothing and footwear' were lower than in the previous year due to a decrease in prices of clothing (-1.5 %). In 'communications', prices of mobile phones dropped (-8.8 %).

Prices of goods in total increased by 3.3 %, while prices of services by 1.3 %. The overall consumer price index excluding imputed rentals was 102.8 %, year-on-year.

Average inflation rate, i.e. the increase in the average consumer price index in the twelve months to November 2011 compared with the average CPI in the previous twelve months, stood at 1.9 % in November.

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 3.3 % in **October 2011** (the same as in September). The highest annual rates were observed in the United Kingdom (5.0 %), and the lowest in Sweden (1.1 %). In Germany, the y-o-y growth amounted to 2.9 % in October (the same as

in September). In Slovakia, the increase in the HICP accelerated to 4.6 % in October (4.4 % in September). According to preliminary calculations, the HICP in the **Czech Republic in November 2011** increased by 0.4 %, **month-on-month**, and amounted to 2.9 % (2.6 % in October), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in November 2011** was 3.0 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

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The consumer price indices will be calculated with new weights 2010 from January 2012 on the base of a standard revision of the calculations of the price indices. The weights of all items of the consumer basket will be changed at the same time. The indices, which were calculated from the technical base December 2009=100 will be replaced by a new technical base December 2011=100. Indices calculated that way will be chained on all levels of the CZ-COICOP classification to the existing price indices with the base 2005=100 and thus continuation of the present time series will be ensured.

In November 2011, in comparison to October 2011, consumer prices rose in **households of pensioners** by 0.6 %. It was recorded a higher consumer price index for 'food and non-alcoholic beverages' by 1.4 %. The increase was affected particularly by higher prices of vegetables, yoghourts and other milk products. Higher index was registered for 'housing, water, electricity, gas and other fuels' by 1.2 % due mainly to an increase in prices of natural gas. In 'transport', the consumer prices went up by 0.4 %. An upward effect on the consumer price level came primarily from the rise in prices of automotive fuel. On the other hand, a lower index was recorded for 'communications' (-0.5 %) due to lower prices of mobile phones and telephone and telefax services. A drop was recorded also for 'furnishings, household equipment and routine maintenance of the house' (-0.3 %), primarily due to the decrease in prices of the metal utensils.

In the capital city of Prague, the overall consumer price index (cost of living) increased by 0.4 % month-on-month (0.4 % in the whole Czech Republic, as well). The consumer price index for 'food and non-alcoholic beverages' rose by 1.3 % (1.6 % in the Czech Republic) due primarily to higher prices of vegetables, poultry and sugar. Prague registered a higher index for 'housing, water, electricity, gas and other fuels' by 0.9 % (0.6 % in the Czech Republic) particularly due to higher prices of natural gas. The consumer price index for 'clothing and footwear' went up by 0.7 % (0.5 % in the Czech Republic), affected mainly by higher prices of women's underwear and knitwear. On the other hand, a decrease occurred in 'furnishings, household equipment and routine maintenance of the house' by 0.6 % (-0.2 % in the Czech Republic) primarily as a result of lower prices of small electric household appliances.