

PRICES OF FUEL INCREASED

Consumer price indices – March 2015

Consumer prices in March rose compared with February by 0.1%. This development was due to the growth of prices in 'transport' and 'alcoholic beverages and tobacco' in particular. The year-on-year increase in consumer prices in March went up by 0.2%, which was by 0.1 percentage point more than in the previous three months.

The **month-on-month** increase in consumer prices in 'transport' came from the rise in prices of fuel, which increased by 4.4% in March after four months of a significant drop. In 'alcoholic beverages and tobacco', prices of tobacco products rose by 2.2%. In 'clothing and footwear', prices of garments and shoes and other footwear went up (1.2% and 1.7%, respectively). In 'food and non-alcoholic beverages', prices recorded a slight two way movement, which offset each other in the aggregate. Fruit prices were particularly higher by 1.2%, rolls and baguettes by 0.5%, pasta by 2.8%, poultry by 0.9%, eggs by 3.1%, oils and fats by 0.8%, chocolate and chocolate-based products by 1.8%. Vegetable prices were higher by 0.4%, of which prices of potatoes by 8.9%.

A contrary effect on the overall consumer price level in March owed to a price drop in 'recreation and culture' due to the reduction of package holiday prices (-4.7%). In 'miscellaneous goods and services', prices of personal care were primarily lower (-1.0%). In 'alcoholic beverages and tobacco', prices of alcoholic beverages dropped (-1.2%). In food, prices of pork went particularly down (-0.8%) as well as prices of milk (-0.9%), cheese (-1.8%), yoghurts (-1.9%), sugar (-3.9%).

Prices of goods in total rose by 0.3%, while prices of services went down (-0.2%).

In terms of the **year-on-year** comparison, in March, the consumer price level rose by 0.2%, i.e. by 0.1 percentage point more than in the previous three months. An acceleration in the y-o-y price growth occurred mainly in 'alcoholic beverages and tobacco', where prices of tobacco products were higher by 8.4% (6.1% in February). In 'transport', the price drop slowed down due to a decline in fuel prices (-12.7%) in March from -17.1% in February.

The biggest influence on the growth of the price level in March came from prices in 'alcoholic beverages and tobacco'. The second in order of influence were prices in 'housing, water, electricity, gas and other fuels', where prices of natural gas rose by 4.5%, water supply by 3.4%, sewage collection by 2.8%, the net actual rentals by 0.9%, heat and hot water by 1.2%. Prices of electricity were lower (-0.3%), y-o-y. In 'miscellaneous goods and services', prices of insurance and financial services rose (2.6% and 6.8%, respectively). In 'clothing and footwear', prices of garments and shoes and other footwear were higher (2.6% and 10.1%, respectively). In 'recreation and culture', prices of package holidays went up by 5.0%.

In addition to the prices in 'transport', the price drop in 'food and non-alcoholic beverages', 'health' and 'communication' caused the reduction in the y-o-y price level. In 'food and non-alcoholic beverages', the decrease in prices came from lower prices of fruit (-5.2%) and vegetables (-6.7% of which prices of potatoes -33.1%). Prices of rolls and baguettes went down by 1.1%, pork by 5.4%, milk by 5.3%, cheese by 5.3%, yoghurts by 5.3%, edible oils by 6.6%. The price drop in 'health' was due to the abolition of the regulatory fees since January 2015. The year-on-year decrease in prices continued in 'communication' due to the drop in prices of telephone and telefax services and mobile phones (-1.3% and -20.2%, respectively).

Prices of goods in total went down (-0.2%), while prices of services were higher by 0.7%. The overall consumer price index excluding imputed rentals was 100.1%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to March 2015 compared with the average CPI in the previous twelve months, amounted to 0.3% in March.

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** was **-0.2% in February** i.e. 0.3 percentage points more than in January. Prices went up only in five EU countries within the range from 0.1% in Italy to 0.7% in Sweden. On the other hand, the largest price decline occurred in Greece and Bulgaria (-1.9% and -1.7%, respectively). In Slovakia, prices dropped by 0.6% (-0.5% in January). In Germany, prices went down by 0.1% (-0.5% in January). According to preliminary calculations, the HICP in the Czech Republic **in March** increased by 0.2%, **month-on-month**, and by 0.1% (-0.1% in February), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in March 2015** amounted to -0.1%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

¹⁾ So far, imputed rentals have been excluded from the HICP

In March, in comparison to February, consumer prices rose in **households of pensioners** by 0.1%. In 'transport', the consumer price index went up by 1.5%. The growth was affected by higher prices of fuel in particular. In 'clothing and footwear', the increase in prices occurred by 1.3%. Prices of footwear went primarily up. A growth of the overall consumer price index was also influenced by the price increase in 'alcoholic beverages and tobacco' by 0.3%. It was shown the rise in prices of tobacco and beer. On the other hand, the decrease in prices (-1.1%) occurred in 'recreation and culture'. The drop was caused mainly by prices of package holidays. In 'miscellaneous goods and services', the price index went down (-0.2%). It was due primarily to lower prices of beauty products.

In the capital city of Prague, the overall consumer price index (cost of living) remained unchanged, month-on-month (a growth by 0.1% in the whole Czech Republic). In 'transport', the consumer price index increased by 1.1% (1.4% in the Czech Republic) due to fuel prices in particular. In 'alcoholic beverages and tobacco', Prague registered a higher price index by 1.1% (0.6% in the Czech Republic). There were higher prices of tobacco and beer. On the other hand, in 'recreation and culture', the consumer price index declined by 1.8% (-1.1% in the Czech Republic). It was mainly a result of lower prices of package holidays. In 'miscellaneous goods and services', consumer prices decreased by 0.6% (-0.5% in the Czech Republic). It was caused especially by lower prices of beauty products.