

YEAR-ON-YEAR INFLATION ROSE SLIGHTLY

Consumer price indices – May 2014

Consumer prices in May increased compared with April by 0.1%. This development was influenced by a price rise in 'alcoholic beverages and tobacco'. The year-on-year growth of consumer prices reached 0.4% in May (0.1% in April).

The **month-on-month** increase in 'alcoholic beverages and tobacco' came from the rise in prices of spirits by 2.7%, beer by 2.5% and wine by 1.2%. In health, amounts paid by patients for pharmaceutical products were 0.7% and prices of stays at spas 7.9% up. In 'transport', fuel prices rose by 0.6%.

A contrary effect on the overall consumer price level in May owed to a drop in prices in 'food and non-alcoholic beverages' due mainly to the reduction in prices of fruit (-4.6%), flour (-1.5%), rice (-2.6%), cheese (-0.6%), yoghurts (-2.4%), edible oils (-1.7%), soups and sauces (-3.8%), salt and spice (-1.6%), non-alcoholic beverages (-0.5%). On the other hand, prices of bread were mainly higher (1.0%) in comparison with April as well as prices of rolls and baguettes (2.6%), beef (0.9%), fish (2.4%), eggs (2.9%), sugar (2.2%), chocolate and chocolate-based products (1.2%), non-chocolate confectionery (4.7%).

Prices of goods in total rose by 0.2%, while prices of services went down (-0.1%).

In terms of the **year-on-year** comparison, in May, the increase in consumer prices was 0.4%, i.e. 0.3 percentage points up on April. The acceleration in the price growth was shown in 'alcoholic beverages and tobacco', due mainly to prices of wine, which were higher by 5.9% in May (3.9% in April). In 'housing, water, electricity, gas and other fuels', the drop in prices slowed down and hence their impact on reducing inflation due to the development of natural gas prices, which were lower by 3.1% in May (-9.1% in April). Similarly, in 'communication', the drop in prices of telephone and telefax services slowed down to 4.8% (-7.9% in April). In 'transport', prices of natural gas turned from a drop (-0.4%) in April to a rise (1.9%) in May.

The biggest upward effect on the y-o-y consumer price level came, as before, from prices in 'food and non-alcoholic beverages'. Prices of bread and cereals were higher by 1.3%, meat by 3.5%, fish by 4.5%, milk by 15.2%, cheese by 10.7%, yoghurts by 20.3%, other milk products by 9.2%, butter by 7.3%. On the other hand, prices of edible oils were lower (-5.1%) as well as prices of fruit (-3.6%), vegetables (-5.1%), sugar (-1.1%), soups and sauces (-5.7%), non-alcoholic beverages (-1.9%).

The reduction of the y-o-y price growth came from prices in 'housing, water, electricity, gas and other fuels' the most (in spite of the reduction of their influence). Prices of electricity and natural gas were lower y-o-y (-10.5% and -3.1%, respectively). Prices of the net actual rentals went up by 0.7%, water supply by 3.4%, sewage collection by 3.2%.

Prices of goods in total rose by 0.3% and prices of services by 0.6%. The overall consumer price index excluding imputed rentals was 100.3%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to May 2014 compared with the average CPI in the previous twelve months, stood at 0.8% in May.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices (HICP)**¹⁾ in the **EU28 member states** was **0.8% in April**, i.e. 0.2 percentage point up on March. Prices grew the most in Austria and Romania (both 1.6%). On the other hand, a year-on-year price decrease occurred in seven EU countries, of which the most in Greece (-1.6%) and Bulgaria (-1.3%). In Slovakia, prices dropped (-0.2%) in April (the same as in March). In Germany, the price rise accelerated to 1.1% in April (0.9% in March). According to preliminary calculations, the HICP in the Czech Republic **in May 2014** rose by 0.1%, **month-on-month**, and was higher by 0.5% (0.2% in April), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in May 2014** amounted to 0.5%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

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Starting from January 2014, the consumer price indices are calculated with updated weights, which are derived from the household expenditures in 2012. The new calculated indices are chained at all levels of the consumer basket with the original base period 2005 = 100. Thereby, a continuation of the existing index time series 2005 = 100, from which indices to other bases are derived (previous month = 100, corresponding period of last 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.

A new consumer basket is available on the CZSO web pages: [consumer basket](#)

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