

# YEAR-ON-YEAR CONSUMER PRICE INDEX ROSE SIGNIFICANTLY

## Consumer price indices – inflation – November 2016

**Consumer prices in November increased compared with October by 0.3%. This development was primarily due to a rise in prices in 'food and non-alcoholic beverages'. The year-on-year growth of consumer prices amounted to 1.5%, i.e. 0.7 percentage points up on October and the most since June 2013.**

The **month-on-month** rise in consumer prices in 'food and non-alcoholic beverages' came primarily from the price increases in the milk, cheese and eggs group, where prices of cheese went up by 4.8%, prices of eggs by 17.5% and prices of milk by 4.5%. The growth of prices occurred in other food as well. Prices of vegetables were higher by 8.0%, of which prices of potatoes by 15.1% and prices of vegetables cultivated for their fruit by 13.5%. Prices of non-alcoholic beverages rose by 2.6%, fruit by 3.4%, butter by 4.9%. In 'transport', prices of automotive fuel were higher by 0.5%. In 'restaurants and hotels', prices of catering services went up by 0.7%. In 'miscellaneous goods and services', prices of products and services for personal care rose by 0.9%.

A drop in the overall price level in November came primarily from a price decrease in 'communication' due to lower prices of telephone and telefax services by 1.2%. In 'health', prices of therapeutic stays at a spa went down by 5.9%.

Prices of goods in total went up by 0.7% and prices of services decreased by 0.1%.

In terms of the **year-on-year** comparison, in November, the consumer prices increased by 1.5%, i.e. 0.7 percentage points up on October. The rise in the y-o-y price level occurred particularly in 'food and non-alcoholic beverages', where prices turned to a growth by 1.6% in November from a drop by 1.2% in October. Prices of eggs rose by 10.3% (-4.7% in October), prices of milk by 1.2% (-7.4% in October), prices of edible oils by 0.4% (-3.8% in October), prices of non-alcoholic beverages by 1.8% (-1.6% in October). For some foods, the decline in their prices slowed down. Prices of flour declined by 5.4% (-12.7% in October), yoghurts by 4.7%, (-8.0% in October), fruit by 1.6% (-6.5% in October), potatoes by 7.3% (-25.8% in October). An impact on the overall increase in prices had also the acceleration in the year-on-year price rise in some other foods. Prices of cheese went up by 12.3% (6.4% in October), butter by 10.8% (6.6% in October), sugar by 26.5% (16.1% in October). In 'alcoholic beverages and tobacco', prices of spirits went up by 6.4% (4.7% in October), beer by 6.2% (4.6% in October) and tobacco products by 6.5% (6.2% in October). In 'transport', the decline in prices of automotive fuel slowed down to 0.3% (-3.2% in October).

The biggest influence on the growth of the y-o-y price level in November came, as before, from prices in 'alcoholic beverages and tobacco'. Next in order of influence were prices in 'food and non-alcoholic beverages'. The rise came also from prices in 'housing, water, electricity, gas and other fuels', where prices of the net actual rentals rose by 1.8%, water supply by 1.6%, sewage collection by 5.3%, electricity by 1.2%, heat and hot water by 1.1%. In 'clothing and footwear', prices of garments went up by 0.1% and prices of shoes and other footwear by 3.8%. In 'health', prices of therapeutic stays at a spa were higher by 3.6%. In 'recreation and culture', prices of recreational and cultural services went especially up by 2.8%. A positive influence on the increase in the price level came also from prices in 'restaurants and hotels', where prices of catering services went up by 2.5% and accommodation services by 0.6%. In 'miscellaneous goods and services', prices of insurance and financial services rose (2.2% and 2.5%, respectively).

A reduction in the price level came from the price decrease in 'communication' (-0.9%). In 'housing, water, electricity, gas and other fuels', prices of natural gas went down by 6.9%.

Prices of goods in total went up by 1.5% and prices of services by 1.7%. The overall consumer price index excluding imputed rentals was 101.5%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to November 2016 compared with the average CPI in the previous twelve months, amounted to 0.5% in November.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices (HICP)**<sup>1)</sup> in the **EU28 member states** amounted to 0.5% **in October**, i.e. 0.1 percentage point more than in September. Prices went up the most in Belgium (1.9%) and Austria (1.4%). On the other hand, the decrease occurred in six EU countries, of which the largest in Bulgaria and Cyprus (both -1.0%). In Slovakia, prices fell by 0.3% (-0.5% in September). In Germany, the year-on-year price increase accelerated to 0.7% (0.5% in September). According to preliminary calculations, the HICP in the Czech Republic **in November** increased by 0.4%, **month-on-month**, and by 1.6% (0.8% in October), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in November 2016** amounted to 0.6%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

<sup>1)</sup> So far, imputed rentals have been excluded from the HICP

In November, in comparison with October, consumer prices in households of pensioners increased by 0.5%. In 'food and non-alcoholic beverages', the rise in prices occurred by 2.0%. It was caused especially by higher prices of vegetables. In 'restaurants and hotels', the consumer price index increased by 0.6%. It was primarily caused by prices in restaurants, cafés and the like. In 'transport', prices rose by 0.3%. It was due mainly to higher prices of second hand cars and automotive fuel. On the other hand, the decrease in prices by 0.9% occurred in 'health'. The drop was caused by lower prices of therapeutic stays at a spa. In 'communication', the price decline was recorded by 0.6%. It was due to lower prices of telephone and telefax services.

In the capital city of Prague, the overall consumer price index (cost of living) rose by 0.2%, month-on-month (0.3% in the whole Czech Republic). In 'food and non-alcoholic beverages', the consumer price index increased by 2.3% (2.1% in the Czech Republic). Prices of vegetables, eggs and cheese went mainly up. In 'restaurants and hotels', Prague registered a higher price index by 0.4% (0.5% in the Czech Republic). Prices of restaurants, cafés and the like went primarily up in this division. On the other hand, in 'communication', the consumer price index went down by 1.2% (-1.1% in the Czech Republic). Lower prices of telephone and telefax services were collected. In 'alcoholic beverages and tobacco', consumer prices went down by 0.7% (a growth by 0.1% in the Czech Republic). The drop was recorded for wine, spirits and beer.

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The new index time series with the base year 2015 = 100 will be introduced since January 2017. The indices to other bases will be calculated from these time series (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). Indices calculated from existing index time series with the base year 2005 = 100 remain valid. The already published data will not be revised. The original time series with base year 2005 = 100 will be calculated and published, but other indices using these time series will no longer be derived.