# Year-on-year price growth slowed down in March

## Consumer price indices – inflation – March 2020

Consumer prices in March decreased by 0.1% compared with February. This development came primarily from a price decrease in 'transport' and 'recreation and culture'. The year-on-year growth of consumer prices amounted to 3.4% in March, which was 0.3 percentage points down on February.

**Month-on-month comparison**

The price drop in ‘transport’ came mainly from lower prices of fuels and lubricants by 5.6%. The average price of petrol Natural 95 (CZK 29.74 per litre) was the lowest since August 2017 and average price of diesel oil (CZK 29.63 per litre) was the lowest since March 2018. Price decrease in consumer prices in 'recreation and culture' came primarily from a price drop of package holidays by 8.6%. In food, prices of fruit were especially lower by 1.2%.

The increase in the overall consumer price level in March came from a price rice in 'food and non-alcoholic beverages', where prices of vegetables raised by 1.1%, of which prices of potatoes were higher by 14.5%. Prices of poultry were higher by 1.8%, yoghurts by 4.1%, pork by 1.5%, sausages and smoked meat by 0.7%, cheese and curd by 0.8%, oils and fats by 1.0%. In ‘alcoholic beverages and tobacco’, prices of wine were higher by 5.6%, beer by 2.5% and tobacco products by 0.4%. In ‘clothing and footwear’ prices of garments increased by 1.6%. Price development in 'housing, water, electricity, gas and other fuels' came primarily from higher prices of electricity by 1.7%.

Prices of goods in total went up by 0.3%, while prices of services went down by 0.6%.

**Year-on-year comparison**

Consumer prices increased by 3.4% in March, i.e. 0.3 percentage points down on February. Slowdown in the year-on-year price growth occurred mainly in 'transport', where prices of fuels and lubricants turned from a growth by 3.6% in February to the decline by 3.3% in March. In 'housing, water, electricity, gas and other fuels' price rise of electricity slowed down to 8.6% (from 9.7% in February) and prices of heat and hot water were lower by 1.4% (−0.9% in February). Price growth accelerated in 'food and non-alcoholic beverages'. Prices in group milk, cheese and eggs were higher by 2.3% (1.1% in February) and prices of vegetables rose by 6.4% (2.9% in February) while prices of potatoes turned from a decline by 6.7% in February to the growth by 1.2% in March.

The biggest influence on the growth of the year-on-year price level in March came from prices in 'food and non-alcoholic beverages', where prices of pork went up by 22.1%, sausages and smoked meat by 14.0%, fruit by 16.2% and sugar by 11.1%. Second in order of influence were prices in 'housing, water, electricity, gas and other fuels’, where prices of actual rentals for housing were higher by 4.2%, water supply by 5.3%, sewage collection by 4.5% and natural gas by 0.4%. The impact on the price level increase came also from prices in ‘alcoholic beverages and tobacco’, where prices of spirits increased by 6.2%, wine by 2.8%, beer by 3.6% and tobacco products by 3.2%. In 'restaurants and hotels', prices of catering services were higher by 5.7% and prices of accommodation services by 4.7%. In 'miscellaneous goods and services', prices of products and services for personal care were higher by 4.3%. In 'communication', prices of telephone and telefax services dropped by 4.7%.

Prices of goods in total and services went up (3.2% and 3.7%, respectively). The overall consumer price index excluding imputed rentals for housing was 103.4%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to March 2020 compared with the average CPI in the previous twelve months, amounted to 3.1%.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices** (HICP)[[1]](#footnote-1)) in the **EU27 member states** amounted to 1.6% **in February** (0.1 percentage point down on January).The rise in prices was the highest in Hungary (4.4%) and the lowest price increase was in Italy (0.2%). In Slovakia, price growth in February slowed down to 3.1% from 3.2% in January. In Germany, prices increased by 1.7% (1.6% in January). According to preliminary calculations, the change in the HICP in the Czech Republic **in March** amounted to 0.0% **month-on-month**,and 3.6% **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** **in March 2020** amounted to0,7%, y‑o‑y, as Eurostat announced (more information on the Eurostat’s web pages: [**HICP**](http://ec.europa.eu/eurostat/web/hicp/data/main-tables).)

In March, in comparison with February, the overall consumer price level in **households of pensioners** went up by 0.2%. This development was influenced mainly by prices in 'food and non-alcoholic beverages', which rose by 0.8%. Prices of vegetables, especially potatoes, meat and prices in milk, cheese and eggs increased in this division. Prices in 'alcoholic beverages, tobacco' went up by 1.6%. Prices of wine, beer, spirits and tobacco products increased. Price rise in 'housing, water, electricity, gas and other fuels' by 0.5% was caused by increase of electricity prices. Price drop by 2.4% in 'recreation and culture' had the opposite effect on the change in the price level. Prices of package holidays decreased in this division, in particular. Prices in 'transport' were lower by 2.0% due to a price decrease of fuels.

**In the capital city of Prague**, consumer prices in total went down by 0.2%, month-on-month (–0.1% in the Czech Republic). This development was mainly influenced by a price drop in 'recreation and culture' by 2.2% (–2.1% in the Czech Republic). Prices of package holidays decreased in this division. In 'transport’ prices went down by 2.4% (–2.0% in the Czech Republic) due to a price decrease of fuels. Prices in 'housing, water, electricity, gas and other fuels' were lower by 0.3% (increase by 0.2% in the Czech Republic). Prices of heat and hot water went down in this division. On the other hand, prices in Prague increased by 1.0% in 'food and non-alcoholic beverages' (0.9% in the Czech Republic). Prices of vegetables, including potatoes, prices in milk, cheese and eggs and prices of meat went up, in particular. Prices in ‘alcoholic beverages, tobacco’ were higher by 1.3% (1.4% in the Czech Republic). Prices of wine and tobacco products especially went up here.

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Starting from January 2020, the consumer price indices are counted on updated weights, which are determined on the base of household expenditure in 2018. These indices are chained at all levels of the consumer basket with the base period average of 2015 = 100. Thereby, a continuation of the existing index time series, from which indices to other bases are derived (previous month = 100, corresponding period of the previous 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.

You can find the new consumer basket on CZSO web pages: [consumer basket.](https://www.czso.cz/csu/czso/what_is_it_inflation_resp_inflation_rate)

1. ) Imputed rentals are excluded from the HICP. [↑](#footnote-ref-1)