

YEAR-ON-YEAR RISE IN CONSUMER PRICES ACCELERATED

Consumer price indices – June 2013

Consumer prices in June increased by 0.4% compared with May. This rise came primarily from price increases in 'food and non-alcoholic beverages'. The year-on-year growth of consumer prices accelerated to 1.6% in June from 1.3% in May.

The **month-on-month** increase in consumer prices came primarily from the marked rise in prices of potatoes by 85.8% because market offer switched from old to new potatoes. Prices of poultry went up by 1.9%, milk by 3.4%, yoghurts by 2.8%, butter by 1.8%, fruit by 1.1%, chocolate and chocolate products by 3.2%. In 'recreation and culture', seasonal prices of package holidays were higher by 4.6%. In 'transport', prices of automotive fuel rose by 1.4%.

A contrary effect on the consumer price level owed mainly to a decrease in prices of telephone and telefax services in 'communication' (-2.6%). In food, prices of vegetables cultivated for their fruit went primarily down by 16.8%, eggs by 5.6%, bread by 1.1%, flour by 1.8%, vegetable and other fats by 1.1%.

Prices of goods in total rose by 0.7% and prices of services remained unchanged.

In terms of the **year-on-year** comparison, in June, the increase in consumer prices was 1.6%, i.e. 0.3 percentage points up compared with May. An acceleration of the price rise came particularly from prices in 'food and non-alcoholic beverages', where prices of potatoes were higher by 91.8% (63.2% in May), fruit by 9.7% (6.7% in May), cooking oils by 4.8% (3.3% in May), butter by 11.2% (9.3% in May), milk by 8.4% (4.0% in May). In 'transport', the price drop slowed down due to automotive fuel prices, which were lower, y-o-y, by 0.8% in June (-4.3% in May).

A decisive upward effect on the y-o-y consumer price level, which was even strengthened in June, came from prices in 'food and non-alcoholic beverages'. The second highest upward effect owed to prices in 'housing, water, electricity, gas and other fuels', where the net actual rentals went up by 1.8%, water supply by 6.6%, sewerage collection by 7.1%, prices of electricity by 3.3%, heat and hot water by 4.6%. On the other hand, prices of natural gas were lower (-4.2%), y-o-y. In 'alcoholic beverages, tobacco', prices of beer went up by 5.4%, spirits by 3.6% and wine by 2.9%. In 'health', amounts paid by patients for drugs increased by 4.8%.

The reduction of the y-o-y price growth came from prices in 'communication' (-12.0%) and 'clothing and footwear' (-1.4%).

Prices of goods in total and prices of services rose (2.1% and 0.8%, respectively). The overall consumer price index excluding imputed rentals was 101.7%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to June 2013 compared with the average CPI in the previous twelve months, stood at 2.3% in June.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP)¹⁾ in the **EU27 member states** was 1.6% in **May**, i.e. 0.2 percentage points up on April. The highest annual rate was observed in Romania (4.4%). On the other hand, a y-o-y price decrease occurred in Greece and in Latvia (-0.3% and -0.2%, respectively) in May. In Germany, the price rise accelerated to 1.6% in May (1.1% in April). In Slovakia, the price increase accelerated moderately to 1.8% in May (1.7% in April). According to preliminary calculations, the HICP in the Czech Republic in **June 2013** rose by 0.5%, **month-on-month**, and by 1.6% (1.2% in May), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** in **June 2013** was 1.6%, 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 June, in comparison to May, consumer prices increased in **households of pensioners** (0.8%). In 'food and non-alcoholic beverages', a higher consumer price index was recorded (3.5%). The increase was affected particularly by higher prices of vegetables and also fresh whole milk and fresh low fat milk. In 'recreation and culture', the growth of prices was shown (0.7%) due primarily to a rise in prices of recreational stays abroad. In 'transport', the consumer price level went up (0.3%). An upward effect on the consumer price level came mainly from the increase in prices of automotive fuel and prices of plane tickets in the passenger transport by air. On the other hand, in 'communication', a lower consumer price index was registered (-1.3%) due to the drop in prices of telephone and telefax services and mobile phones. A drop was recorded also for 'alcoholic beverages, tobacco' (-0.5%), where the decrease in prices of spirits and beer was shown.

In the capital city of Prague, the overall consumer price index (cost of living) rose by 0.5% month-on-month (0.4% in the whole Czech Republic). The consumer price index for 'food and non-alcoholic beverages' increased by 2.7% (2.8% in the Czech Republic) due mainly to higher prices of vegetables and also fresh whole milk and fresh low fat milk. In 'recreation and culture', Prague registered a higher index by 0.7% (0.7% in the Czech Republic as well) due particularly to higher prices of recreational stays abroad. On the other hand, the drop in prices in 'communication', amounted to 1.6% (-2.6% in the Czech Republic). It was a result of lower prices of mobile phones and telephone and telefax services. In 'furnishings, household equipment and routine household maintenance', prices decreased by 0.2% (-0.2% in the Czech Republic as well) due primarily to the drop in prices of furniture and detergents.