

YEAR-ON-YEAR RISE IN CONSUMER PRICES ACCELERATED

Consumer price indices – inflation – October 2016

Consumer prices in October increased compared with September by 0.3%. This development was primarily due to a rise in prices in 'clothing and footwear'. The year-on-year growth of consumer prices amounted to 0.8%, i.e. 0.3 percentage points up on September and the most since June 2015.

The **month-on-month** increase in consumer prices in 'clothing and footwear' came primarily from the seasonal rise in prices of garments by 4.2% as well as prices of shoes and other footwear by 5.8%. In 'transport', prices of automotive fuel rose by 1.3%. In 'alcoholic beverages and tobacco', prices of wine were higher by 1.5%. In 'miscellaneous goods and services', prices of products for personal care rose by 1.0%. In 'restaurants and hotels', prices of catering services went up by 0.4%. In food, prices of cheese and butter were especially higher (2.6% and 5.8%, respectively).

A drop in the price level came primarily from a price decrease in 'food and non-alcoholic beverages', where prices of vegetables were particularly lower by 6.0%, of which potato prices by 15.6%. Prices of non-alcoholic beverages went down by 2.2%, citrus fruit by 11.7%, bread and cereals by 0.7%.

Prices of goods in total went up by 0.3% and prices of services by 0.2%.

In terms of the **year-on-year** comparison, in October, the consumer prices increased by 0.8%, i.e. 0.3 percentage points up on September. This acceleration in the y-o-y price growth occurred particularly due to reductions in the price fall in 'transport'. It was caused by a slowdown in the decline in prices of automotive fuel by 3.2% (-7.3% in September). In 'clothing and footwear', prices of shoes and other footwear accelerated to 4.4% (3.7% in September) and prices of garments turned to a growth by 0.7% in October from a decline by 0.1% in September.

The biggest influence on the growth of the y-o-y price level in October came, as before, from prices in 'alcoholic beverages and tobacco', where prices of spirits increased by 4.7%, beer by 4.6% and tobacco products by 6.2%. 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 'health', prices of therapeutic stays at a spa were higher by 5.2%. In 'recreation and culture', prices of recreational and cultural services went especially up by 2.7%. In 'restaurants and hotels', prices of catering services went up by 1.7% and accommodation services by 0.5%. In 'miscellaneous goods and services', prices of insurance and financial services rose (2.4% and 2.9%, respectively).

A reduction in the price level came, as before, from the price decrease in 'food and non-alcoholic beverages'. Vegetable prices went down by 14.7%, of which potato prices by 25.8%. Prices of fruit were lower by 6.5%, milk by 7.4%, flour by 12.7%. 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 0.3% and prices of services by 1.6%. The overall consumer price index excluding imputed rentals was 100.7%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2016 compared with the average CPI in the previous twelve months, amounted to 0.4% in October.

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** amounted to 0.4% in **September**, i.e. 0.1 percentage point more than in August. Prices went up the most in Belgium (1.8%) and Estonia (1.7%). On the other hand, the decrease occurred in ten EU countries, of which the largest in Bulgaria (-1.1%). In Slovakia, prices went down by 0.5% (-0.8% in August). In Germany, the year-on-year price increase accelerated to 0.5% in September (0.3% in August). According to preliminary calculations, the HICP in the Czech Republic in **October** increased by 0.2%, **month-on-month**, and by 0.8% (0.5% in September), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in October 2016** amounted to 0.5%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

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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.

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