

ANALYSIS

11 July 2019

Development of consumer price indices in Q2 2019

The total consumer price level increased by 0.7% in Q2 2019 compared with Q1 2019. Consumer prices rose by 2.8% in Q2 2019, year-on-year, which was 0.1 percentage point up on Q1 2019.

The **quarter-on-quarter** (q-o-q) development of consumer prices in Q2 2019 was influenced by a price increase in 'housing, water, electricity, gas and other fuels', 'transport', 'food and non-alcoholic beverages'. In 'housing, water, electricity, gas and other fuels', prices of electricity rose by 2.5%, natural gas and town gas by 0.8% and heat energy by 0.5%. Prices of actual rentals for housing rose by 0.7%. In 'transport', prices of fuels and lubricants for personal transport equipment increased by 5.9% and prices of transport services by 0.5%. In 'food and non-alcoholic beverages', primarily prices of vegetables were higher by 6.1%, of which potatoes by 16.2%. Prices of meat and fish and seafood went up identically by 2.4%. Prices of bread and cereals rose by 0.7%. Prices of fruit went up by 0.6%. An opposite influence, i.e. on decrease in the overall consumer price level was mainly due to a price decrease in 'recreation and culture', where prices of package holidays went down by 5.5%. The average month-on-month increase in the total consumer price index was 0.3% in Q2 2019, it was 0.5% in Q1 2019.

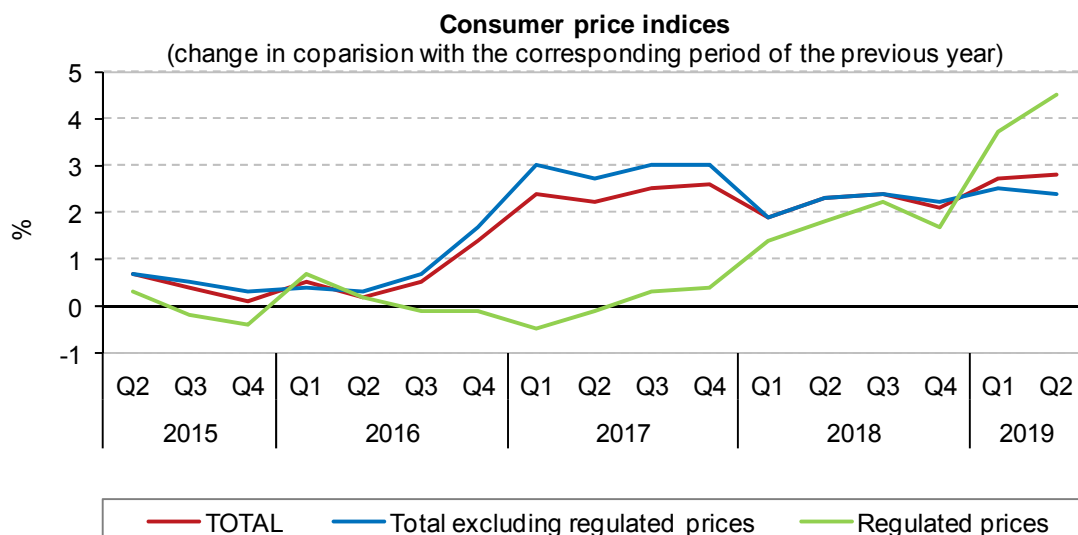
Consumer price indices (the previous quarter = 100)

DIVISION	2018			2019	
	Q2	Q3	Q4	Q1	Q2
TOTAL	100.7	100.6	100.2	101.2	100.7
Food and non-alcoholic beverages	99.5	99.0	100.7	101.8	101.0
Alcoholic beverages and tobacco	100.8	100.1	100.4	102.0	99.3
Clothing and footwear	103.1	96.6	103.0	96.3	102.3
Housing, water, electricity, gas and other fuels	100.8	101.1	101.0	102.3	101.1
Furnishings, household equipment and routine household maintenance	100.8	100.2	100.3	100.1	100.5
Health	101.8	100.9	99.8	101.2	101.6
Transport	101.6	100.8	99.2	99.0	101.9
Communication	99.8	99.7	99.9	99.5	99.6
Recreation and culture	99.3	103.8	95.7	103.0	98.7
Education	100.0	100.8	101.3	100.1	100.0
Restaurants and hotels	101.0	100.8	101.0	100.9	101.2
Miscellaneous goods and services	101.2	101.1	100.8	101.2	101.0

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Consumer prices rose by 2.8%, **year-on-year (y-o-y)**, in **Q2 2019 compared with Q2 2018**, i.e. 0.1 percentage point up on Q1 2019. This development was influenced by different price growth dynamics in individual divisions of consumer basket. Price growth accelerated mainly in the division of 'food and non-alcoholic beverages', 'housing, water, electricity, gas and other fuels'. Slower price increases occurred mainly in 'alcoholic beverages, tobacco' and in 'recreation and culture'.

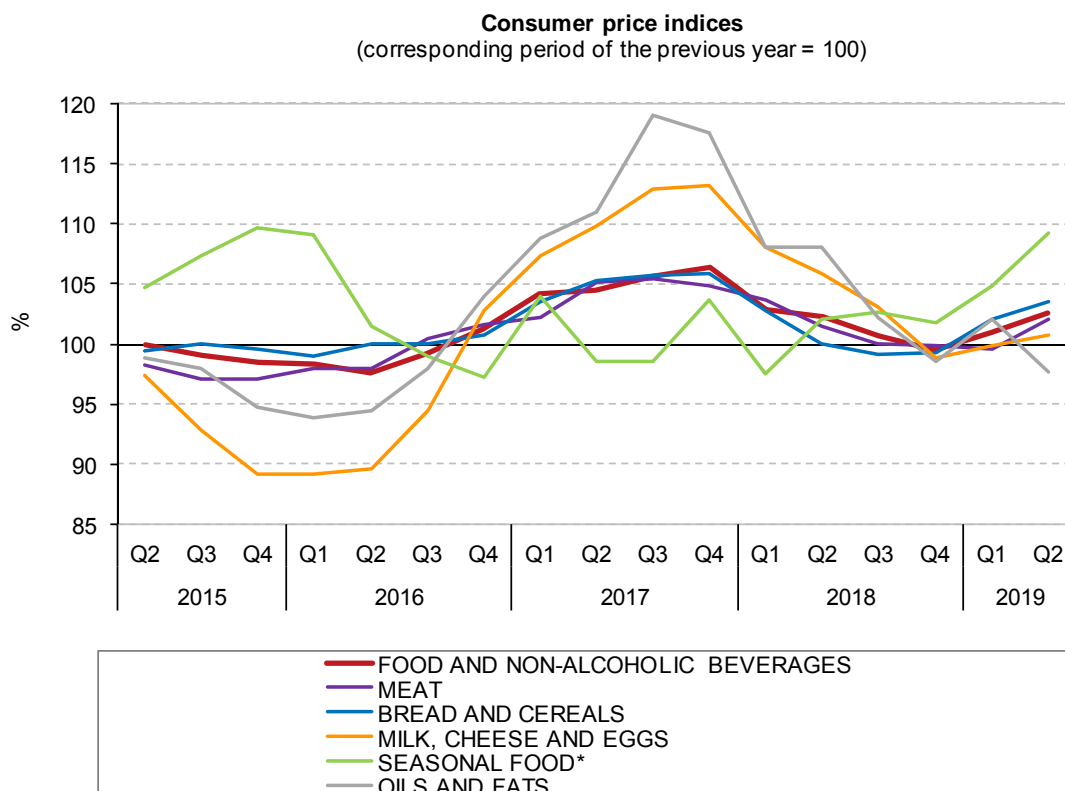
Changes in the development of prices in Q2 2019 caused the acceleration in the y-o-y growth of market prices by 2.4% (2.5% in Q1 2019). A rise in regulated prices accelerated to 4.5% in Q2 2019 from 3.7% in Q1 2019.



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The biggest influence on the growth of the consumer price level came from prices in **'food and non-alcoholic beverages'**, where prices of bread and cereals rose by 3.5%. Prices of bread went up by 4.3% and prices of other bakery products by 2.7%. Prices of vegetables were higher by 27.4% (20.0% in Q1 2019), prices of potatoes increased by 68.5% (66.0% in Q1 2019). Prices of meat rose by 2.0%, of which prices of pork by 3.8%. Prices of fish and seafood went up by 0.4%. Prices in group milk, cheese and eggs increased by 0.8%, prices of eggs went down by 10.8% and prices of UHT semi skimmed milk by 1.4%. Prices of cheese and curd went up by 3.4%.

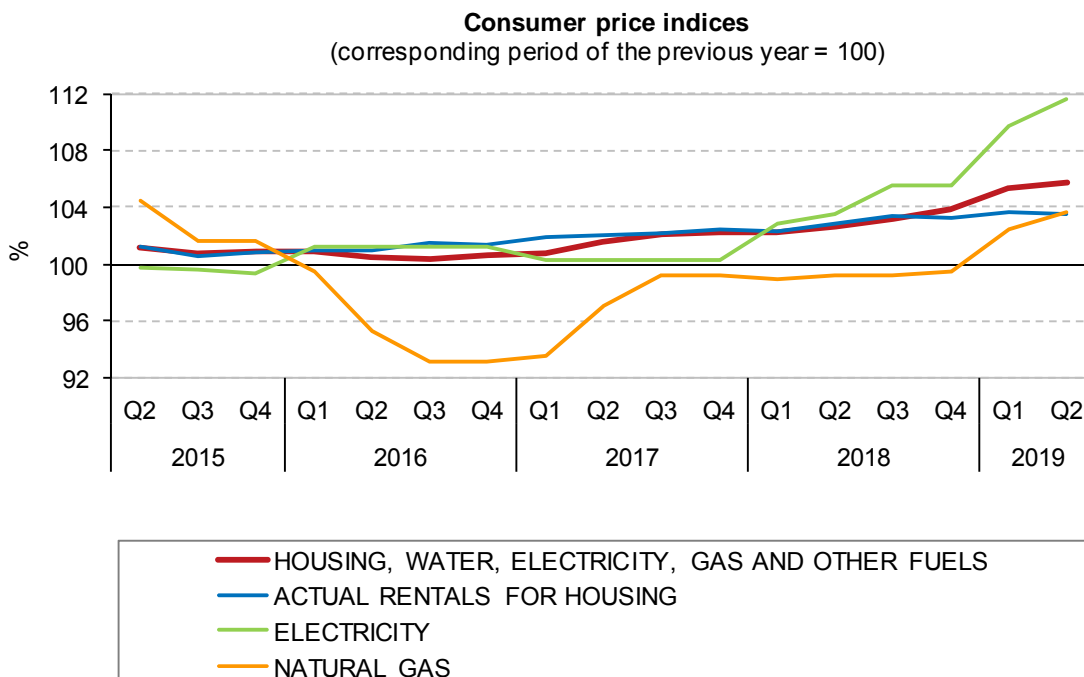
Prices of non-alcoholic beverages went down by 0.2%, of which coffee prices by 3.8%. Prices of sugar dropped by 27.0% (-30.4% in Q1 2019). Prices of fruit went down by 8.5% (-9.9% in Q1 2019). Prices of oils and fats were lower by 2.3%, of which butter prices by 2.0%.



*Seasonal food includes fish and seafood, fruit and vegetables

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In **'housing, water, electricity, gas and other fuels'**, prices of electricity rose by 11.6% (9.7% in Q1 2019) and prices of natural gas and town gas by 3.6% (2.4% in Q1 2019). Prices of actual rentals for housing went up by 3.5%, water supply and sewage collection identically by 2.6%. Prices of heat energy were higher by 5.0%.

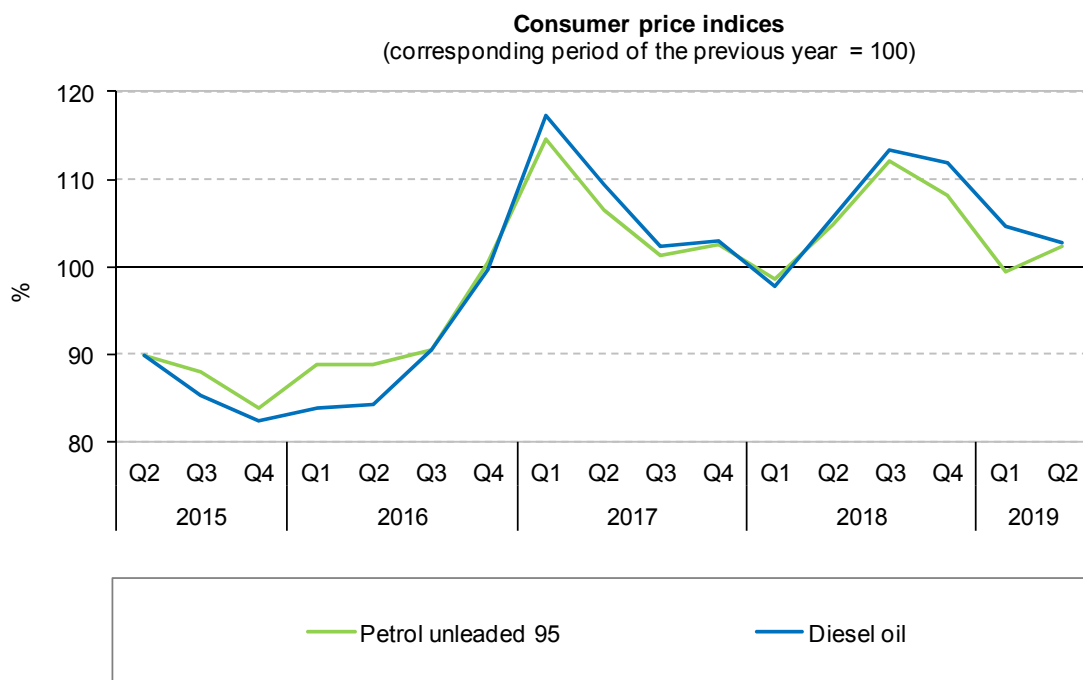


In **'alcoholic beverages, tobacco'** prices of tobacco went up by 1.7% (3.8% in Q1 2019). Prices of spirits rose by 1.4%, beer by 3.7% and wine by 0.1%.

In **'recreation and culture'**, prices of package holidays increased by 4.7% (7.2% in Q1 2019).

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In **'transport'**, prices of fuels and lubricants for personal transport equipment went up by 2.4% (1.3% in Q1 2019). The price of unleaded petrol Natural 95 was CZK 33.08 and the price of diesel oil was CZK 32.17 in June.

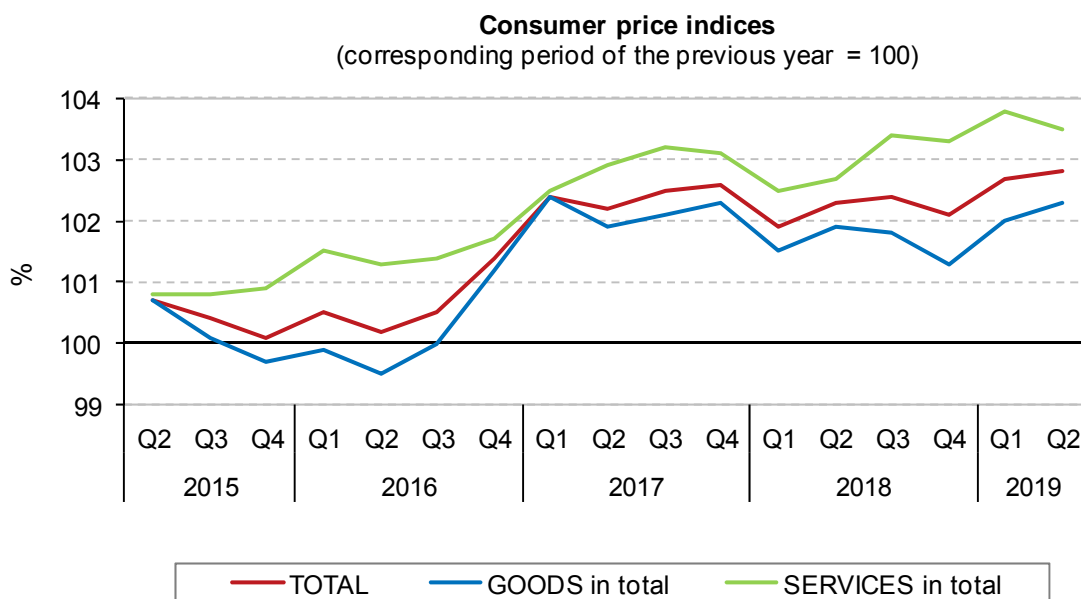


In **'clothing and footwear'**, prices of garments went down by 3.2% (-2.9 in Q1 2019). Prices of shoes and other footwear rose by 1.3% (4.2% in Q1 2019).

In **'miscellaneous goods and services'**, prices of financial services went up by 5.9%. Prices of personal care rose by 4.1% (4.6% in Q1 2019).

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The aforementioned fluctuations in consumer prices resulted in a rise in prices of **goods in total** by 2.3% and prices of **services** by 3.5%.

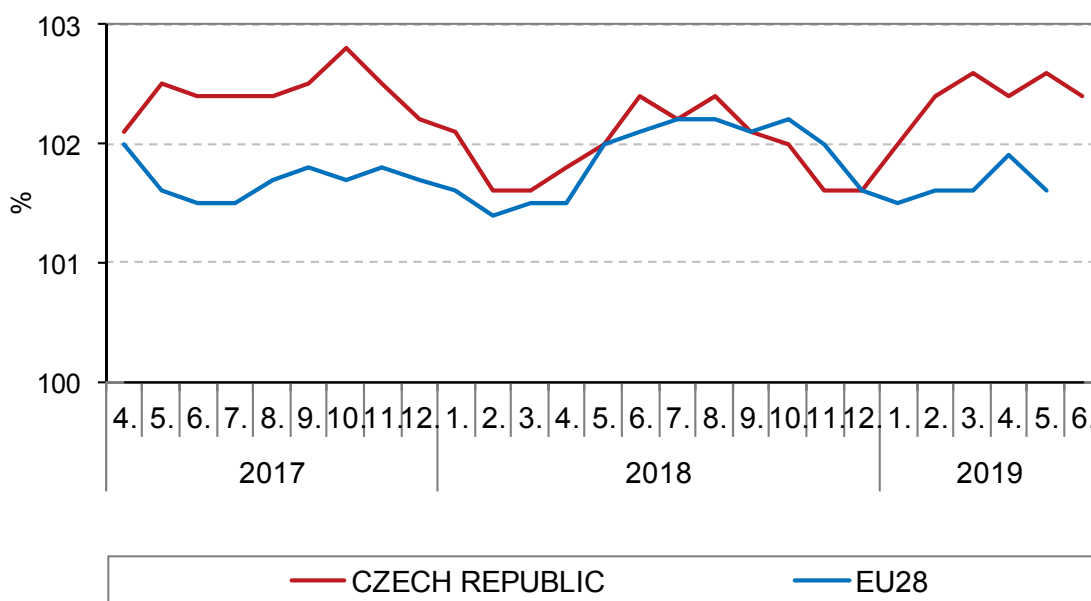


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Harmonized index of consumer prices in the EU28

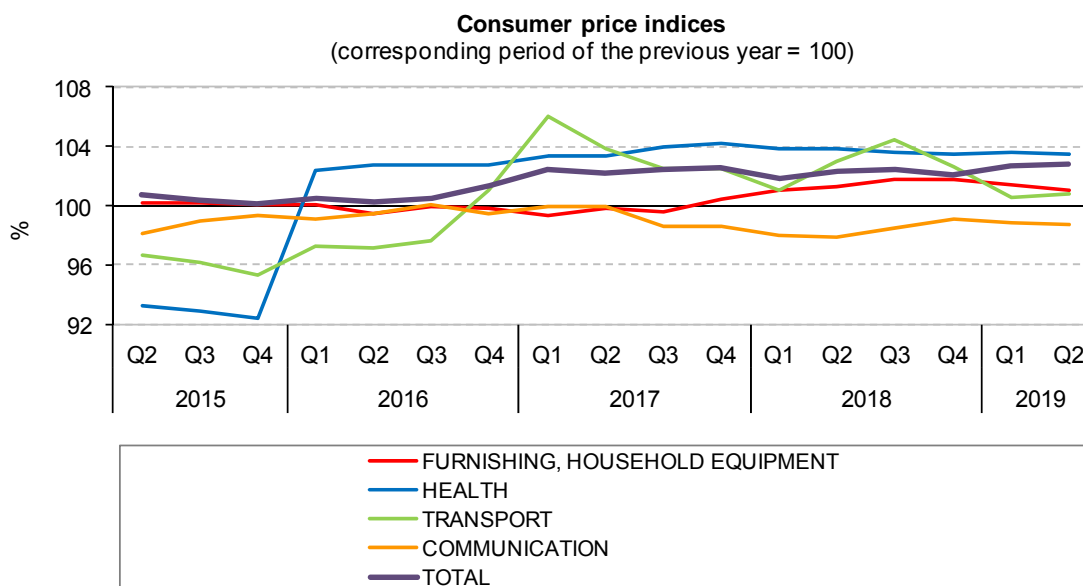
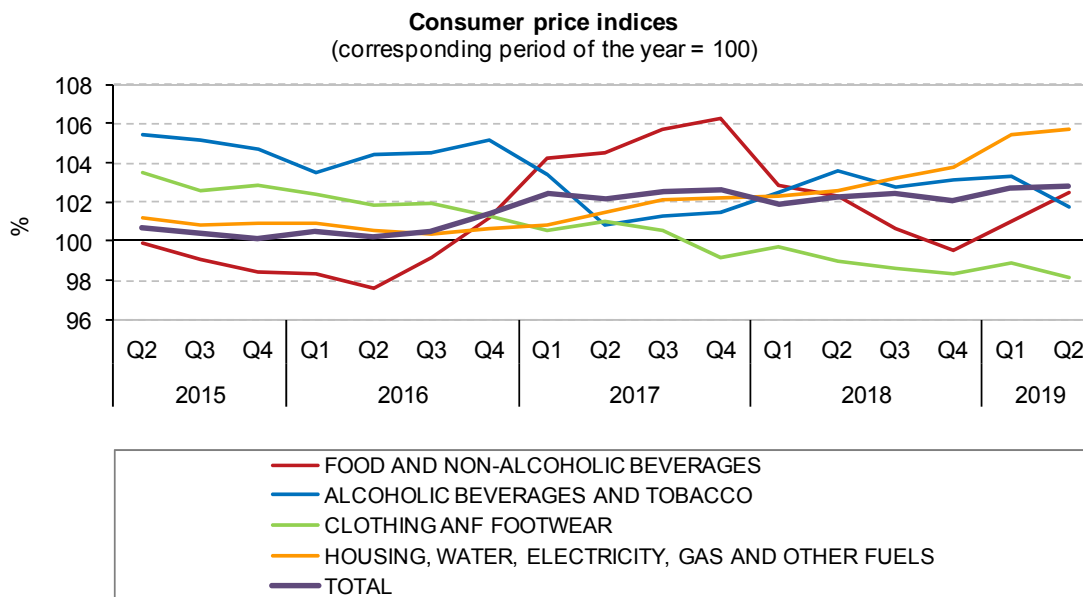
According to Eurostat data, the y-o-y change in the average harmonized index of consumer prices (HICP) in the EU28 was 1.9% in April and 1.6% in May. In the Czech Republic (CR), the y-o-y values of the HICP were 2.4% in April and 2.6% in May. According to preliminary calculations, the HICP in the CR rose by 2.4%, y-o-y, in June. For the most of the period under review, the HICP in the CR was higher than the same indicator in the EU, however, its values in the CR from October to December 2018 were below the EU level for the first time since June 2016. In May, the y-o-y HICP increase in all EU Member States was positive. The values ranged from 0.2% (Cyprus) to 4.4% (Romania).

Harmonized indices of consumer prices
(corresponding period of the previous year = 100)

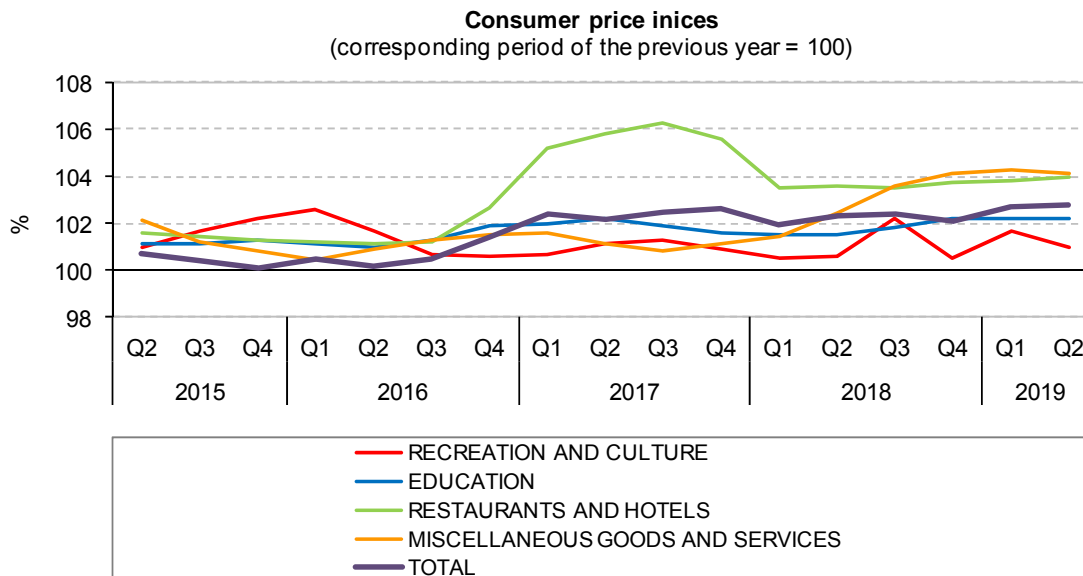


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The development of consumer price index by ECOICOP division:



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Consumer price indices in Q2 2019

ECOICOP	Division	Constant weights 2016 (per mille)	2018			2019				
			Corresponding period of the previous year= 100							
			Q2	Q3	Q4	Q1	April	May	June	Q2
E00	Total	1000,0	102,3	102,4	102,1	102,7	102,8	102,9	102,7	102,8
E01	Food and non-alcoholic beverages	177,6	102,3	100,6	99,5	101,0	101,8	102,8	102,7	102,5
E01.11	<i>Bread and cereals</i>	28,3	100,0	99,1	99,3	102,0	103,6	103,5	103,2	103,5
E01.12	<i>Meat</i>	42,1	101,5	100,0	99,8	99,5	99,8	102,2	103,9	102,0
E02	Alcoholic beverages and tobacco	92,2	103,6	102,8	103,1	103,3	101,1	102,3	101,8	101,7
E03	Clothing and footwear	41,5	99,0	98,6	98,3	98,9	97,9	98,1	98,2	98,1
E04	Housing, water, electricity, gas and other fuels	257,2	102,6	103,2	103,8	105,4	105,8	105,8	105,5	105,7
E04.1	<i>Actual rentals for housing</i>	33,7	102,9	103,4	103,3	103,7	103,3	103,3	103,9	103,5
E04.510	<i>Electricity</i>	42,7	103,5	105,5	105,6	109,7	111,9	112,5	110,4	111,6
E04.521	<i>Natural gas and town gas</i>	24,4	99,2	99,2	99,5	102,4	103,6	103,6	103,6	103,6
E05	Furnishings, household equipment and routine household maintenance	58,1	101,3	101,8	101,8	101,4	100,8	101,1	101,5	101,1
E06	Health	24,5	103,8	103,6	103,5	103,6	103,7	103,4	103,4	103,5
E07	Transport	101,7	103,0	104,5	102,6	100,6	101,7	100,9	99,9	100,8
E07.22	<i>Fuels and lubricants for personal transport equipment</i>	29,1	104,9	112,3	109,5	101,3	104,7	103,1	99,7	102,4
E08	Communication	28,9	97,9	98,5	99,1	98,8	98,7	98,7	98,7	98,7
E09	Recreation and culture	86,3	100,6	102,2	100,5	101,7	100,9	100,8	101,4	101,0
E09.60	<i>Package holidays</i>	19,2	102,8	109,7	103,2	107,2	104,6	103,2	106,2	104,7
E10	Education	5,7	101,5	101,8	102,2	102,2	102,2	102,2	102,1	102,2
E11	Restaurants and hotels	59,1	103,6	103,5	103,7	103,8	103,9	103,9	104,1	104,0
E12	Miscellaneous goods and services	67,2	102,4	103,6	104,1	104,3	104,3	104,2	103,8	104,1

Elaborated by Consumer Prices Statistics Unit of the CZSO

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