

# PRICES OF AUTOMOTIVE FUEL CONTINUED TO GROW AFTER THREE MONTHS

## Consumer price indices – August 2012

Consumer prices in August decreased by 0.1% compared with July. This development came primarily from a price reduction in 'food and non-alcoholic beverages', 'clothing and footwear' and 'communications', which was eliminated partially due to the increase in prices in 'transport'. The rise in consumer prices accelerated to 3.3%, year-on-year (3.1% in July).

The **month-on-month** decrease in consumer prices in 'food and non-alcoholic beverages' came primarily from the drop in prices of vegetables by 9.0%, of which prices of potatoes fell by 28.4%. Fruit prices went down by 3.1% due to a decrease in prices of stone fruit and berries by 22.5%. Prices of rolls and baguettes, rice and eggs were lower (from -2.2% to -2.6%). In 'clothing and footwear', prices of clothing and footwear dropped (-0.4% and -2.5%, respectively). In 'communications', prices of mobile phones and prices of telephone and telefax services went down (-0.8% and -0.7%, respectively).

A contrary effect on the price level owed mainly to an increase in prices in 'transport', where prices of automotive fuel rose by 3.3% in August, month-on-month. It was the highest month-on-month growth of automotive fuel prices since December 2010 and the prices went back almost to the level in May after a three-month drop. In food, prices of flour rose by 7.3%, yoghurts by 3.2%, vegetable fats by 2.8%, tea by 2.9%.

Prices of goods in total dropped by 0.2% and prices of services remained unchanged.

In terms of the **year-on-year** comparison, in August, the increase in consumer prices was 3.3%, i.e. 0.2 percentage points up on July. An acceleration of the price growth came primarily from prices in 'transport' due to the rise in prices of automotive fuel by 6.5% (3.1% in July).

The biggest upward effect on the y-o-y consumer price level came, as before, from prices in 'housing, water, electricity, gas and other fuels' and prices in 'food and non-alcoholic beverages'. In 'housing, water, electricity, gas and other fuels', prices of natural gas were higher by 14.0%, electricity by 4.2%, water supply by 12.0%, sewerage collection by 10.5%, heat and hot water by 8.6%. The net actual rentals went up by 4.4%, of which for dwellings with regulated rentals rose by 10.6% and for dwellings with market rentals by 1.6%. In food, prices of meat increased by 7.9%, eggs by 62.3%, yoghurts by 13.1%, fruit by 13.6%, vegetables by 14.4%, non-alcoholic beverages by 7.6%.

The reduction of the y-o-y growth came mainly from prices in 'clothing and footwear', where prices of clothing and footwear went down (-5.0% and -2.5%, respectively). The decrease in prices in 'furnishings, household equipment and routine maintenance of the house' was influenced primarily by lower prices of household appliances (-5.8%), tolls and equipment for house and garden (-5.6%). In 'recreation and culture', a decrease in prices of audio-visual, photographic and information processing equipment continued (-7.2%). In 'communications', prices of mobile phones dropped (-7.1%).

Prices of goods in total and services rose (3.5% and 2.9%, respectively). The overall consumer price index excluding imputed rentals was 103.5%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to August 2012 compared with the average CPI in the previous twelve months, stood at 3.1% in August.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP)<sup>1)</sup> in the **EU27 member states** was 2.5% in **July**, i.e. the same as in June. The highest annual rate was observed in Hungary (5.7%) and the lowest in Sweden (0.7%). In Germany, the price rise slowed down to 1.9% (2.0% in June). In Slovakia, the price increase accelerated to 3.8% (3.7% in June). According to preliminary calculations, the HICP in the Czech Republic in **August 2012** remained unchanged, **month-on-month**, and rose by 3.4% (3.3% in July), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in August 2012** was 2.6%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

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

In August, in comparison to July, consumer prices dropped in **households of pensioners** by 0.2%. It was recorded a lower consumer price index for 'food and non-alcoholic beverages' by 1.2%. The decrease was affected particularly by lower prices of vegetables and fruits. Lower index was registered for 'clothing and footwear' by 0.8% due primarily to a decrease in prices of women's and men's footwear. In 'communications', the consumer prices went down by 0.5%. A downward effect on the consumer price level came mainly from the drop in prices of telephone and telefax services and also mobile phones. On the other hand, a higher index was recorded for 'transport' by 1.0% due particularly to higher prices of automotive fuel. An increase was recorded also for 'miscellaneous goods and services' by 0.2% due primarily to the rise in prices of insurance connected with transport.

**In the capital city of Prague**, the overall consumer price index (cost of living) decreased by 0.1% month-on-month (-0.1% in the whole Czech Republic as well). The consumer price index for 'clothing and footwear' dropped by 1.1% (-0.9% in the Czech Republic) due mainly to lower prices of men's and women's footwear and women's ready-made clothing. Prague registered a lower index for 'food and non-alcoholic beverages' by 0.7% (-1.0% in the Czech Republic) due particularly to lower prices of vegetables, fruit and rice. On the other hand, a rise occurred in 'transport' by 0.9% (1.1% in the Czech Republic) as a result of higher prices of automotive fuel and passenger transport by air. In 'health', the rise in prices by 0.2% (0.2% also in the Czech Republic) came primarily from higher prices of over-the-counter medicines and other pharmaceuticals.