

YEAR-ON-YEAR CONSUMER PRICE INDEX ROSE SLOWLY

Consumer price indices – September 2014

Consumer prices in September dropped compared with August (-0.2%). This development was due to the decline in prices in 'recreation and culture'. The year-on-year increase in consumer prices amounted to 0.7% in September, i.e. 0.1 percentage points up on August and the most since the beginning of this year.

The **month-on-month** decrease in consumer prices in 'recreation and culture' came similarly to previous years mainly from the drop in prices of package holidays by 14.1% due to the end of summer season. In 'furnishings, household equipment and routine household maintenance', prices of non-durable household goods declined in particular (-1.5%). In food, prices of yoghurts dropped (-7.0%) as well as prices of apples (-8.7%), potatoes (-3.7%), other vegetables (-4.6%), bread (-1.7%).

A contrary effect on the overall consumer price level in September owed to a rise primarily in 'clothing and footwear', where prices of clothing went up by 1.9% and footwear by 4.5%. In 'miscellaneous goods and services', the increase in prices of financial services by 2.5% was shown. In 'alcoholic beverages and tobacco', prices of spirits increased by 0.9%, wine by 0.7%, while prices of beer declined (-0.6%). In 'housing, water, electricity, gas and other fuels', prices of electricity rose by 0.2%. In 'food and non-alcoholic beverages', prices of vegetables cultivated for their fruit were higher by 34.6% in September compared with August, citrus fruit by 14.3%, cheese by 1.1%, other milk products by 1.2%, chocolate and chocolate-based products by 2.3%. As the new school year started, fees in kindergartens increased by 1.7%, in after school care centres by 4.4%, school-fees at public universities by 7.8%. Similarly, in 'restaurants and hotels', prices in school canteens rose by 1.5%, accommodation services of boarding schools by 0.7% and in university colleges by 0.9%.

Prices of goods in total rose by 0.2%, while prices of services dropped (-0.8%).

In terms of the **year-on-year** comparison, in September, the consumer price level rose by 0.7%, i.e. 0.1 percentage points up on August. The acceleration in a price growth was mainly in 'food and non-alcoholic beverages', where prices of fruit turned from a drop (-4.2%) in August to a rise by 2.4% in September. It was due primarily to a growth of citrus fruit prices by 17.9%. Vegetable prices showed a slowdown in their decrease (-1.0%) in September (a decline -11.0% in August). This development was influenced particularly by prices of vegetables cultivated for their fruit, which were higher by 31.3%, year-on-year, (1.0% in August) and potato prices, where their drop slowed down (-34.7%) in September (-41.1% in August). An acceleration occurred also in 'miscellaneous goods and services' due to higher prices of financial services by 5.0% (2.1% in August). On the other hand, in 'clothing and footwear', the price growth slowed down due to a decline in the price rise in footwear to 3.9% in September (4.9% in August). In 'recreation and culture', the y-o-y growth of prices also slowed down due primarily to lower prices of package holidays to 3.8% in September (4.6% in August).

The biggest effect on the y-o-y growth of consumer prices, which was even strengthened due to prices of fruit and vegetables in September, came from prices in 'food and non-alcoholic beverages'. Prices of milk increased by 4.6%, cheese by 5.1%, yoghurts by 8.8%, eggs by 13.6%, chocolate and chocolate-based products by 10.9%, honey by 7.5%, cocoa by 5.5%. In 'alcoholic beverages and tobacco', prices of alcoholic beverages rose by 3.4% and tobacco products by 1.7%. In 'restaurants and hotels', prices of catering and accommodation services increased (2.0% and 0.9%, respectively).

The reduction of the y-o-y price growth was affected by a decline in prices in 'housing, water, electricity, gas and other fuels' due to the fall in prices of electricity (-10.2%). Prices of natural gas increased by 2.4%, the net actual rentals by 0.9%, water supply by 3.4%, sewage collection by 3.2%, heat and hot water by 0.7%. The year-on-year decrease in prices continued in 'communication' due to the drop in prices of telephone and telefax services and mobile phones (-2.2% and -17.7%, respectively).

Prices of goods in total increased by 0.5% and prices of services rose by 1.2%. 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 September 2014 compared with the average CPI in the previous twelve months, stood at 0.5% in September.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices (HICP)**¹⁾ in the **EU28 member states** was 0.5% in **August**, i.e. the same as in July. Prices increased the most in Austria and the United Kingdom (both 1.5%). On the other hand, the largest price decline occurred in Bulgaria and Spain (-1.0% and -0.5%, respectively). In Slovakia, prices dropped by 0.2% in August (the same as in July). In Germany, the year-on-year price rise remained at 0.8% in August (the same as in July). According to preliminary calculations, the HICP in the Czech Republic in **September** dropped by 0.2%, **month-on-month**, and rose by 0.8% (0.7% in August), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in September 2014** amounted to 0.3%, 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