

Growth of automotive fuel prices continued

Consumer price indices – April 2011

Consumer prices increased in April by 0.3 %, month-on-month. This development came from a price rise in 'clothing and footwear', 'food and non-alcoholic beverages' and 'transport'. In April the increase in consumer prices amounted to 1.6 %, year-on-year, (1.7 % in March).

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The **month-on-month** consumer price growth by 0.3 % owed particularly to prices of clothing and footwear (2.1 % and 5.6 %, respectively). The rise in prices of automotive fuel continued, albeit slightly slower than in March, and amounted to 1.7 % in April. The average month-on-month price of petrol Natural 95 (34.86 CZK per litre) reached a further increase in its historic high. The average m-o-m price of diesel oil (34.42 CZK per litre) was higher in its history only in two months, namely in June and July 2008. The growth of food prices was influenced by the rise in prices of vegetables by 2.8 %, sugar by 14.8 %, eggs by 10.3 %, cheese by 1.8 %, poultry by 2.1 %, bread by 2.1 %, rolls and baguettes by 1.9 %. The Postal services increased prices by 1.8 %.

A contrary effect on the price level came from a consumer price drop in 'alcoholic beverages, tobacco', in which prices of wine dropped by 3.0 % and beer by 1.5 %. Lower than in the previous month were prices of fruit by 6.0 % and non-alcoholic beverages by 2.6 %. Prices of mobile phone were lower by 2.3 %, photographic and cinematographic equipment by 1.7 %, recording media by 1.5 %, flowers and flower products by 2.9 %.

Prices of goods in total rose by 0.3 % and prices of services remained unchanged.

In terms of the **year-on-year** comparison, in April, the increase in consumer prices was 1.6 %, i.e. 0.1 percentage point down on March. A slowdown in the year-on-year price growth was primarily shown in 'alcoholic beverages, tobacco', in which the rise in prices of wine slowed down to 3.5 % (7.4 % in March). A moderate slowdown in the price growth was recorded also for 'housing, water, electricity, gas and other fuels' due to a reduction in the increase in prices of natural gas to 5.8 % (9.2 % in March). The growth of prices of automotive fuel slowed down to 10.1 % (10.7 % in March). This development was attributed to higher m-o-m price growth in April 2010 than in April 2011. Prices of cars were lower by 5.3 % in April (-4.5 % in March).

The highest upward effect on the consumer price level, which strengthened moderately in April, came from prices in 'food and non-alcoholic beverages'. Prices of rolls and baguettes were primarily higher year-on-year by 17.7 %, flour by 30.3 %, pasta by 12.8 %, milk by 13.0 %, butter by 18.3 %, edible oils by 23.6 %, potatoes by 50.9 %, sugar by 16.6 %, cocoa by 14.4 % and coffee by 10.5 %. The second highest upward effect on the total growth of the consumer price level came from prices in 'housing, water, electricity, gas and other fuels', in which prices of electricity went up by 4.8 %, heat and hot water by 2.1 %, water supply by 6.2 % and sewerage collection by 5.8 %. The net actual rentals increased by 2.1 %, of which for dwellings with regulated rentals rose by 4.6 % and for dwellings with market rentals by 1.0 %.

Prices in 'clothing and footwear' continued to be lower than in the previous year due to a drop in prices of clothing by 2.5 %, while prices of footwear were higher by 1.2 %. In food, prices of rice decreased particularly by 8.2 %, eggs by 10.4 %, stone fruit and berries by 13.7 %, vegetables cultivated for their fruit by 25.9 %. In 'furnishings, household equipment and routine maintenance of the house', prices of household appliances went primarily down by 3.8 % and prices of goods and services for routine household maintenance by 1.9 %. The year-on-year drop in prices of audio-visual, photographic and information processing equipment and prices of mobile phones continued (-10.7 % and -12.9 %, respectively).

Prices of goods in total increased by 1.9 % and prices of services by 1.0 %. The overall consumer price index excluding imputed rentals was 101.7 %, year-on-year.

Average inflation rate, i.e. the increase in the average consumer price index in the twelve months to April 2011 compared with the average CPI in the previous twelve months, stood at 1.8 % in April.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP) in the **EU 27 member states** was 3.1 % in **March 2011** (0.2 percentage points up on February). The highest annual rates were observed in Romania (8.0 %) and Estonia (5.1 %). In Germany, the y-o-y growth accelerated to 2.3 % (2.2 % in February). In Slovakia, the increase in the HICP accelerated to 3.8 % (3.5 % in February). According to preliminary calculations, the HICP in the **Czech Republic in April 2011** increased by 0.2 %, **month-on-month**, and slowed down by 1.6 % (1.9 % in March), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the**

Eurozone in April 2011 was 2.8 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

In April 2011, in comparison to March 2011, consumer prices rose in **households of pensioners** by 0.2 %. It was recorded a higher consumer price index for 'clothing and footwear' by 2.6 %. The increase was affected particularly by higher prices of women's footwear and men's ready-made clothing. Higher index was also registered for 'food and non-alcoholic beverages' by 0.6 % due mainly to an increase in prices of vegetables, eggs and egg products and sugar. In 'transport', the consumer prices went up by 0.5 %. An upward effect on the consumer price level came primarily from the rise in prices of automotive fuel. On the other hand, a lower index was recorded for 'alcoholic beverages, tobacco' (-0.6 %) mainly due to lower prices of wine and beer. A drop was recorded for 'housing, water, electricity, gas and other fuels' (-0.1 %), primarily due to the decrease in fees for the heat and hot water.

In the capital city of Prague, the overall consumer price index (cost of living) increased by 0.3 % month-on-month (in the whole Czech Republic also by 0.3 %). The consumer price index for 'clothing and footwear' rose by 4.1 % (2.7 % in the Czech Republic) due primarily to higher prices of women's ready-made clothing and women's footwear. Prague registered a higher index for 'food and non-alcoholic beverages' by 0.6 % (0.4 % in the Czech Republic) particularly due to higher prices of vegetables, eggs and egg products and sugar. The consumer price index for 'transport' went up by 0.5 % (0.4 % in the Czech Republic), affected mainly by higher prices of automotive fuel. On the other hand, a decrease occurred in 'furnishings, household equipment and routine maintenance of the house' by 0.6 % (-0.2 % in the Czech Republic) as a result of lower prices of refrigerators and freezers in particular.