

ELECTRICITY AND POTATO PRICES CONTINUED TO RISE

Consumer price indices – inflation – March 2019

Consumer prices in March increased by 0.2% compared with February. This development came primarily from a price rise in 'housing, water, electricity, gas and other fuels'. The year-on-year growth of consumer prices accelerated to 3.0% in March, which was 0.3 percentage points up on February. It was the highest year-on-year price growth since October 2012.

The **month-on-month** rise in consumer prices in 'housing, water, electricity, gas and other fuels' came primarily from prices of electricity, which were higher by 2.7%. In 'alcoholic beverages and tobacco', prices of wine went up by 3.7%, beer by 1.2%, and spirits by 0.8%. In 'transport', the price development came from prices of fuels and lubricants for personal transport equipment. These prices rose by 1.1% in March after four months of decline. In 'furnishings, household equipment and routine household maintenance', prices of household appliances went up by 1.3% in particular. In 'food and non-alcoholic beverages', prices of bread and cereals were primarily higher by 1.1%, potatoes by 5.6%, and fruit by 1.4%.

The decrease in the overall consumer price level in March came from lower prices in 'recreation and culture', where prices of package holidays went down by 8.8% due to the end of winter season. In food, prices of vegetables were particularly lower by 2.2%, meat by 0.4%, UHT semi skimmed milk by 3.4%.

Prices of goods in total rose by 0.6% while prices of services went down by 0.3%.

In terms of the **year-on-year** comparison, in March, the consumer prices rose by 3.0%, i.e. 0.3 percentage points up on February. An acceleration in the year-on-year price rise came primarily from the price development in 'food and non-alcoholic beverages'. Prices of potatoes increased by 74.5% (67.2% in February), bread and cereals by 3.3% (1.9% in February), butter by 8.6% (4.0% in February). The year-on-year price decline slowed down in a number of foods. Prices of eggs were lower by 8.1% (14.7% in February), fruit by 9.5% (11.8% in February), sugar by 28.3% (32.2% in February). An acceleration in the year-on-year price growth occurred also in 'housing, water, electricity, gas and other fuels' and 'transport'. In 'housing, water, electricity, gas and other fuels', prices of electricity went up by 11.9% (8.9% in February), prices of solid fuels by 1.5% (0.6% in February), heat energy by 4.5% (4.2% in February). In 'transport', prices of fuels and lubricants for personal transport equipment accelerated their rise to 2.1% (0.1% in February).

The biggest influence on the growth of the y-o-y price level came from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing rose by 3.6%, water supply and sewage collection identically by 2.6%, natural gas and town gas by 3.6%. Next in order of influence were prices in 'food and non-alcoholic beverages' (a rise by 1.9%). In 'alcoholic beverages and tobacco', prices of spirits were higher by 5.4%, wine by 3.3%, beer by 4.2% and tobacco products by 3.1%. The impact on the price level increase had also prices in 'miscellaneous goods and services', where prices of personal care rose by 4.1%, prices of both insurance and financial services by 4.8%. In 'restaurants and hotels', prices of catering services were higher by 4.0% and prices of accommodation services by 2.9%.

A reduction in the price level in March came, as before, from prices in 'clothing and footwear' due to prices of garments, which were lower by 3.2%. In 'communication', prices dropped by 1.2%.

Prices of goods in total and services went up (2.6% and 3.7%, respectively). The overall consumer price index excluding imputed rentals for housing was 102.6%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to March 2019 compared with the average CPI in the previous twelve months, amounted to 2.4% in March.

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 1.6% **in February** (0.1 percentage point up on January). The rise in prices was the highest in Romania (4.0%) and the lowest price increase was in Ireland (0.7%). In Slovakia, the price rise accelerated to 2.3% in February from 2.2% in January. In Germany, prices were higher by 1.7% in January and February. According to preliminary calculations, the **month-on-month** change in the HICP in the Czech Republic **in March** amounted to 0.2% and the **year-on-year** growth was 2.6%. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in March 2019** amounted to 1.4%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

¹⁾ Imputed rentals are excluded from the HICP.