

FOOD PRICES ROSE AGAIN

Consumer price indices – inflation – February 2017

Consumer prices in February increased compared with January by 0.4%. This development was primarily due to a rise in prices in 'food and non-alcoholic beverages', 'recreation and culture'. The year-on-year growth of consumer prices amounted to 2.5%, i.e. 0.3 percentage points up on January.

The **month-on-month** rise in consumer prices in 'food and non-alcoholic beverages' came primarily from the increase in prices of vegetables by 15.2%, of which prices of potatoes rose by 24.1% and prices of vegetables cultivated for their fruit increased by 28.1%. Prices of rolls and baguettes were higher by 4.9% and fruit by 1.8%. The growth of prices in 'recreation and culture' occurred primarily due to higher prices of package holidays by 4.5%. In 'restaurants and hotels', prices of catering services rose by 0.6%. In 'transport', the increase in prices of automotive fuel continued, although at a slower pace, and amounted to 0.7% in February.

A drop in the price level came primarily from a price decrease in 'clothing and footwear', where prices of garments fell by 1.1% and prices of shoes and other footwear by 1.4%. In 'housing, water, electricity, gas and other fuels', a price of natural gas was lower by 2.1% and a price of heat and hot water by 1.2%. In 'alcoholic beverages and tobacco', prices of beer and wine went down (-2.7% and -1.5%, respectively). In 'furnishings, household equipment and routine household maintenance', the decline was influenced primarily by lower prices of detergents by 4.8%. In 'food and non-alcoholic beverages', prices of cheese went down by 1.1%, yoghurts by 2.6%, chocolate and chocolate-based products by 2.8% and non-alcoholic beverages by 0.7%.

Prices of goods in total went up by 0.2% and prices of services by 0.7%.

In terms of the **year-on-year** comparison, in February, the consumer prices increased by 2.5%, i.e. 0.3 percentage points up on January. The increase in the y-o-y price level occurred particularly in 'food and non-alcoholic beverages' and 'transport'. The price development in 'food and non-alcoholic beverages' came especially from an acceleration in the year-on-year growth of vegetable prices to 17.3% in February (5.2% in January) due to the increase in prices of vegetables cultivated for their fruit by 33.7% (17.4% in January) and the price development of potatoes. These prices turned from a decrease by 4.5% in January to a growth by 18.7% in February. In 'transport', prices of automotive fuel accelerated to 16.8% (11.6% in January). A slowdown in the year-on-year price rise occurred in 'alcoholic beverages and tobacco', where prices of alcoholic beverages turned from a growth by 0.5% in January to a decline by 0.5% in February and prices of tobacco products slowed down to 6.2% (6.5% in January).

The biggest influence on the growth of the y-o-y price level in February came again from prices in 'food and non-alcoholic beverages'. Prices of rolls and baguettes went up by 9.2%, flour by 4.5%, eggs by 17.7%, cheese by 12.1%, butter by 15.9%, sugar by 29.4%. Next in order of influence were prices in 'transport' (an increase by 6.6%). In 'alcoholic beverages and tobacco', prices went up by 3.1%. The rise in the price level came also from prices in 'restaurants and hotels', where prices of catering services went up by 6.0% (of which prices in restaurants and cafés by 7.5%) and prices of accommodation services by 1.7%. In 'housing, water, electricity, gas and other fuels', prices of the net actual rentals rose by 2.5%, water supply by 2.2%, sewage collection by 2.4%, electricity by 0.3%. In 'miscellaneous goods and services', prices of insurance were higher by 3.6%.

A reduction in the price level came from the price decrease in 'furnishings, household equipment and routine household maintenance' due to lower prices of household appliances and detergents (-1.5% and -11.6%, respectively). In 'housing, water, electricity, gas and other fuels', prices of natural gas and prices of heat and hot water went down (-7.1% and -0.5%, respectively).

Prices of goods in total went up by 2.5% and prices of services by 2.6%. The overall consumer price index excluding imputed rentals was 102.5%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to February 2017 compared with the average CPI in the previous twelve months, amounted to 1.0% in February.

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 1.7% **in January**, i.e. 0.5 percentage points more than in December. The rise in prices was the highest in Belgium (3.1%), in Spain and Latvia (both 2.9%) and the lowest in Ireland (0.2%). In Slovakia, the price increase accelerated to 0.9% in January from 0.2% in December. In Germany, prices rose by 1.9% (1.7% in December). According to preliminary calculations, the HICP in the Czech Republic **in February** went up by 0.4%, **month-on-month**, and by 2.6%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in February 2017** was 2.0%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

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The new index time series with the base year 2015 = 100 has been introduced since January 2017. The indices to other bases are calculated from these time series (previous month = 100, corresponding period of last year = 100 and annual rolling average, i.e. the average of index numbers over the last 12 months to the average for the previous 12 months). Indices calculated from existing index time series with the base year 2005 = 100 remain valid. The already published data are not revised. The original time series with base year 2005 = 100 are calculated and published, but other indices using these time series are no longer derived.

¹⁾ So far, imputed rentals have been excluded from the HICP.