

## Common month-on-month increase in prices of recreational stays

### Consumer price indices – July 2011

**Consumer prices increased in July by 0.3 %, month-on-month. This growth came primarily from a seasonal price rise in package holidays. The increase in consumer prices amounted to 1.7 %, year-on-year.**

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The **month-on-month** consumer price growth by 0.3 % owed particularly to a price increase in seasonal prices of package holidays like in the preceding years and reached 13.4 %. In 'housing, water, electricity, gas and other fuels', prices of natural gas increased by 1.9 %. The net actual rentals rose by 0.7 %, of which for dwellings with regulated rentals went up by 1.5 % and for dwellings with market rentals by 0.3 %. The growth of prices in 'alcoholic beverages, tobacco' was influenced by prices of beer, spirits and tobacco products (2.3 %, 1.3 % and 0.4 %, respectively). Prices of non-alcoholic beverages were higher by 1.7 %. Prices of vegetables cultivated for their fruit, which dropped markedly in the previous month, rose by 15.7%.

A contrary effect on the price level came primarily from a price drop in clothing by 2.9 % and footwear by 4.2 %. In food, prices of fruit dropped by 2.6 % due to a marked decrease in prices of peaches and red watermelons (-29.5 % and -51.3 %, respectively). Prices of vegetables (in total) decreased by 3.5 %, of which prices of potatoes by 18.2 %, cabbage by 35.8 % and cauliflower by 21.1 %. In 'communications', prices of mobile phones were lower by 1.5 %.

Prices of goods in total dropped by 0.2 % and prices of services rose by 0.8 %.

In terms of the **year-on-year** comparison, in July, the increase in consumer prices was 1.7 %, i.e. 0.1 percentage point down on June. A moderate deceleration of the year-on-year price growth was mainly shown in 'food and non-alcoholic beverages', in which prices of fruit turned from a growth by 1.1 % in June to a drop (-4.2 %) in July. The rise slowed down primarily in prices of milk to 12.2 % (16.1 % in June), yoghurts to 3.8 % (4.9 % in June) and butter to 12.9 % (19.2 % in June).

A dominant influence on the y-o-y growth of the overall consumer price level came, as before, from prices in 'food and non-alcoholic beverages' and 'housing, water, electricity, gas and other fuels'. Prices of rolls and baguettes rose by 33.9 %, bread by 21.8 %, flour by 45.4 %, cooking oils by 26.2 %, sugar by 33.0 % cocoa by 17.3 % and coffee by 23.1 %. In 'housing, water, electricity, gas and other fuels', prices of natural gas increased by 11.5 %, electricity by 4.8 %, water supply by 6.2 %, sewerage collection by 5.8 %, heat and hot water by 1.6 %. The net actual rentals increased by 3.1 %, of which for dwellings with regulated rentals rose by 8.2 % and for dwellings with market rentals by 0.8 %.

Prices in 'clothing and footwear' continued to be lower than in the previous year due to a drop in prices of clothing and footwear (-3.0 % and -1.2 %, respectively). The year-on-year drop in prices of household appliances (-4.5 %) continued. In 'recreation and culture', prices of audio-visual, photographic and information processing equipment were lower (-11.4 %). Prices of package holidays, despite their marked month-on-month increase, were by 1.6% lower than in the previous year. In 'communications', prices of mobile phones dropped by 12.1 %. In food, prices of eggs were primarily lower by 8.4 %, citrus fruit by 29.3 %, bananas by 23.7 %. Prices of vegetables decreased by 12.7 %, mainly due to a drop in prices of vegetables cultivated for their fruit by 36.2 % and potatoes by 8.1 %.

Prices of goods in total increased by 2.1 % and prices of services by 1.1 %. The overall consumer price index excluding imputed rentals was 101.9 %, year-on-year.

Average inflation rate, i.e. the increase in the average consumer price index in the twelve months to July 2011 compared with the average CPI in the previous twelve months, stood at 1.9 % in July.

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 **June 2011** (0.1 percentage point down on May). The highest annual rates were observed in Romania (8.0 %), Estonia (4.9 %), Lithuania (4.8 %) and Latvia (4.7 %). In Germany, the y-o-y growth was the same as in May, i.e. 2.4 %. In Slovakia, the increase in the HICP slowed down to 4.1 % (4.2 % in May). According to preliminary calculations, the HICP in the **Czech Republic in July 2011** increased by 0.3 %, **month-on-month**, and amounted to 1.9 % (the same as in June), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices)

flash estimate for **the Eurozone in July 2011** was 2.5 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

In July 2011, in comparison to June 2011, consumer prices rose in **households of pensioners** by 0.2 %. It was recorded a higher consumer price index for 'recreation and culture' by 2.4 %. The increase was affected particularly by higher prices of recreational stays abroad and domestic recreational stays. Higher index was also registered for 'alcoholic beverages, tobacco' by 1.3 % due mainly to an increase in prices of beer and spirits. In 'housing, water, electricity, gas and other fuels', the consumer prices went up by 0.5 %. An upward effect on the consumer price level came primarily from the rise in prices of natural gas and net actual rentals paid by tenants for rented dwellings. On the other hand, a lower index was recorded for 'clothing and footwear' (-2.9 %) mainly due to lower prices of women's ready-made clothing and women's and men's footwear. A drop was recorded for 'food and non-alcoholic beverages' (-0.3 %), primarily due to the decrease in prices of vegetables and also eggs and egg products.

**In the capital city of Prague**, the overall consumer price index (cost of living) increased by 0.5 % month-on-month (in the whole Czech Republic by 0.3 %). The consumer price index for 'recreation and culture' rose by 3.5 % (3.3 % in the Czech Republic) due primarily to higher prices of recreational stays abroad and domestic recreational stays. Prague registered a higher index for 'alcoholic beverages, tobacco' by 1.6 % (1.0 % in the Czech Republic) particularly due to higher prices of beer and spirits. The consumer price index for 'housing, water, electricity, gas and other fuels' went up by 0.8 % (0.3 % in the Czech Republic), affected mainly by higher prices of natural gas. On the other hand, a decrease occurred in 'clothing and footwear' by 3.8 % (-3.0 % in the Czech Republic) as a result of children's ready-made clothing and men's footwear in particular.