

ANALYSIS

10 April 2019

Development of consumer price indices in Q1 2019

The total consumer price level increased by 1.2% in Q1 2019 compared with Q4 2018. Consumer prices rose by 2.7% in Q1 2019, year-on-year, which was 0.6 percentage points up on Q4 2018.

The **quarter-on-quarter** (q-o-q) development of consumer prices in Q1 2019 was influenced mainly by a price increase in 'housing, water, electricity, gas and other fuels', 'food and non-alcoholic beverages', and 'recreation and culture'. In 'housing, water, electricity, gas and other fuels', prices of electricity rose by 6.7%, natural gas and town gas by 2.5%, and heat energy by 3.4%. Prices of actual rentals for housing rose by 1.2%. In 'food and non-alcoholic beverages', especially prices of vegetables went up by 13.8%, of which potatoes by 32.1%. Prices of bread and cereals and prices of fruit increased identically by 2.8%. In 'recreation and culture', prices of package holidays rose by 11.6%. Mainly a decrease in prices in 'clothing and footwear', where prices of garments and prices of shoes and footwear went down (−4.7% and −2.2%, respectively), had an influence in the opposite direction, i.e. on the price level reduction. In 'transport', prices of fuels and lubricants for personal transport equipment dropped (−6.8%). The average month-on-month increase in the total consumer price index was 0.5% in Q1 2019; it was 0.1% in Q4 2018.

Consumer price indices (the previous quarter = 100)

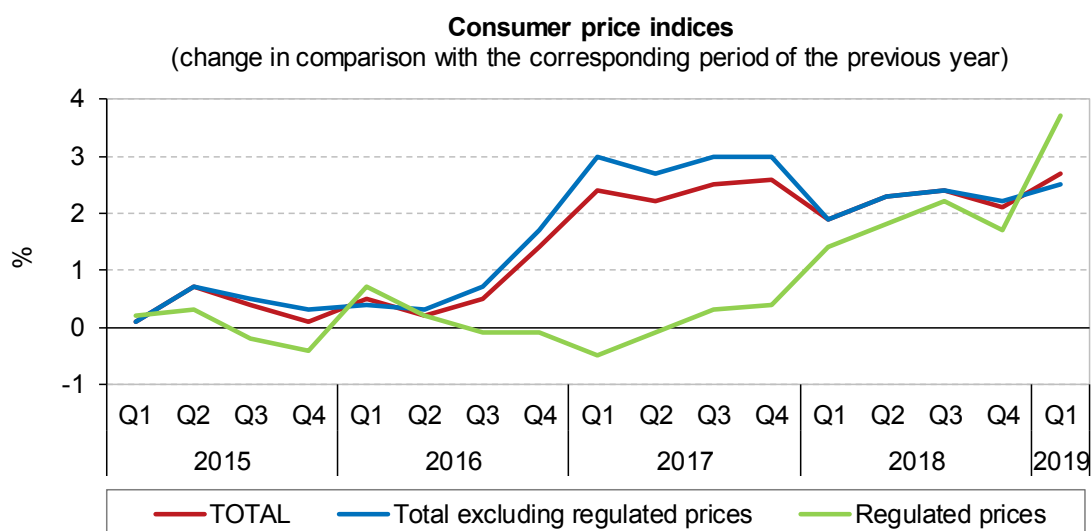
DIVISION	2018				2019
	Q1	Q2	Q3	Q4	Q1
TOTAL	100.7	100.7	100.6	100.2	101.2
Food and non-alcoholic beverages	100.4	99.5	99.0	100.7	101.8
Alcoholic beverages and tobacco	101.8	100.8	100.1	100.4	102.0
Clothing and footwear	95.8	103.1	96.6	103.0	96.3
Housing, water, electricity, gas and other fuels	100.8	100.8	101.1	101.0	102.3
Furnishings, household equipment and routine household maintenance	100.5	100.8	100.2	100.3	100.1
Health	101.0	101.8	100.9	99.8	101.2
Transport	101.0	101.6	100.8	99.2	99.0
Communication	99.8	99.8	99.7	99.9	99.5
Recreation and culture	101.9	99.3	103.8	95.7	103.0
Education	100.1	100.0	100.8	101.3	100.1
Restaurants and hotels	100.8	101.0	100.8	101.0	100.9
Miscellaneous goods and services	101.1	101.2	101.1	100.8	101.2

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Consumer prices rose by 2.7%, **year-on-year (y-o-y)**, in **Q1 2019 compared with Q1 2018**, i.e. 0.6 percentage points up on Q4 2018. The development was especially due to the acceleration in the price rise in 'housing, water, electricity, gas and other fuels', 'recreation and culture', and a turn from the price decline to the growth in 'food and non-alcoholic beverages'. This development was also affected by the slowdown in the price decline in 'clothing and footwear', and by a price growth in 'miscellaneous goods and services', and 'alcoholic beverages and tobacco'.

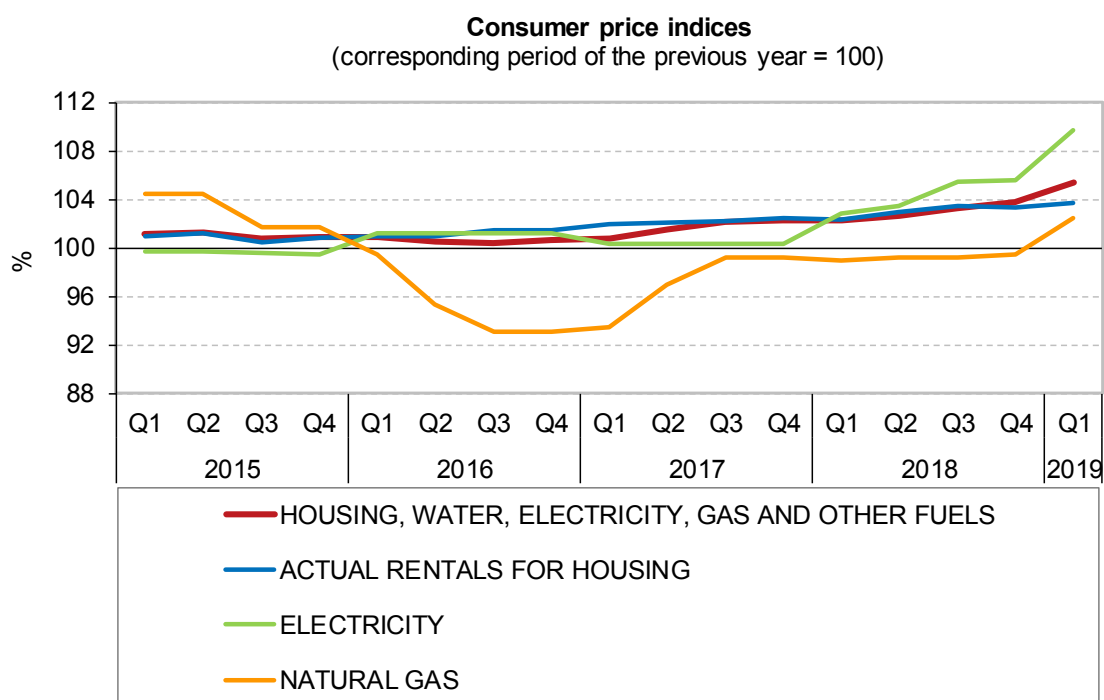
Mainly the price development in 'transport' contributed to a slowdown in price growth.

Changes in the development of prices in Q1 2019 caused the acceleration in the y-o-y growth of market prices by 2.5% (2.2% in Q4 2018). A rise in regulated prices accelerated to 3.7% in Q1 2019 from 1.7% in Q4 2018.



The biggest influence on the growth of the consumer price level came from prices in '**housing, water, electricity, gas and other fuels**', where prices rose by 5.4%, y-o-y, in Q1 2019. Electricity prices increased by 9.7% (+5.6% in Q4 2018) and prices of natural gas and town gas rose by 2.4% (a drop by 0.5% in Q4 2018). Prices of actual rentals for housing went up by 3.7% and prices of both water supply and sewage collection by 2.6%. Prices of heat energy rose by 4.2%.

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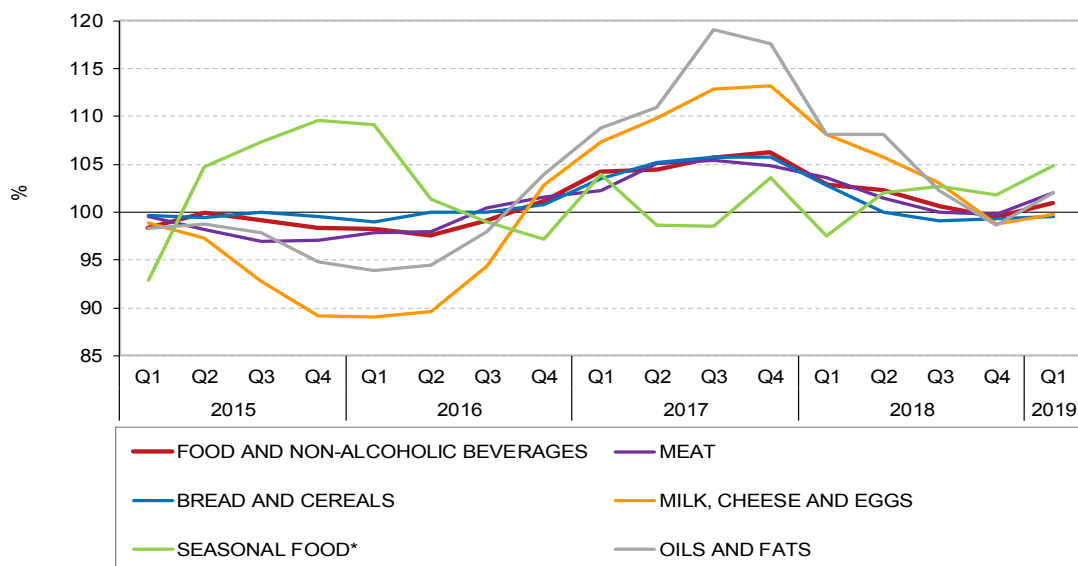


In **'food and non-alcoholic beverages'**, prices of bread and cereals went up by 2.0% (the same as prices of oils and fats). Prices of bread rose by 0.3% and prices of other bakery products by 2.4%. Prices of butter increased by 5.4%. Prices of vegetables were higher by 20.0% (11.9% in Q4 2018), of which prices of potatoes rose by 66.0% (25.0% in Q4 2018). Prices of non-alcoholic beverages increased by 1.0%, while prices of coffee went down by 0.2%.

Prices of meat dropped by 0.5%, of which prices of pork by 1.1%. Prices of fish and seafood went down by 2.1%. Prices in the group milk, cheese, eggs decreased by 0.2% in Q1 2019, y-o-y, of which prices of eggs declined by 15.6% and UHT semi-skimmed milk by 0.6%. Prices of sugar dropped by 30.4% (a decline by 31.6% in Q4 2018). Prices of fruit went down by 9.9% (-8.0% in Q4 2018).

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Consumer price indices
(corresponding period of the previous year = 100)

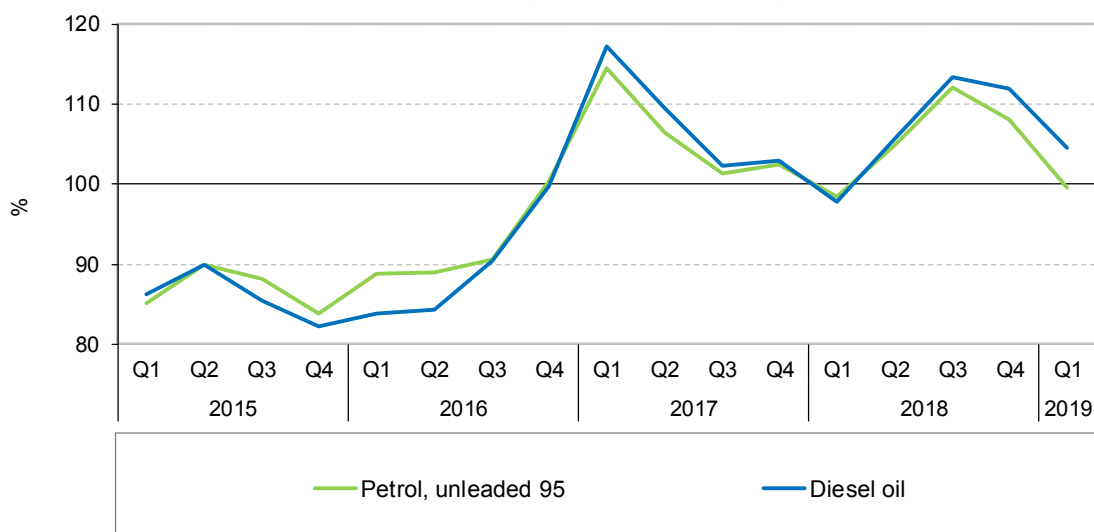


*Seasonal food includes fish and seafood, fruit and vegetables.

In **'recreation and culture'**, prices of package holidays increased by 7.2% (3.2% in Q4 2018).

In **'transport'**, prices of fuels and lubricants for personal transport equipment went up by 1.3% (a growth by 9.5% in Q4 2018). The price of unleaded petrol *Natural 95* amounted to CZK 30.38 and the price of diesel oil was CZK 31.32 in March.

Consumer price indices
(corresponding period of the previous year =100)



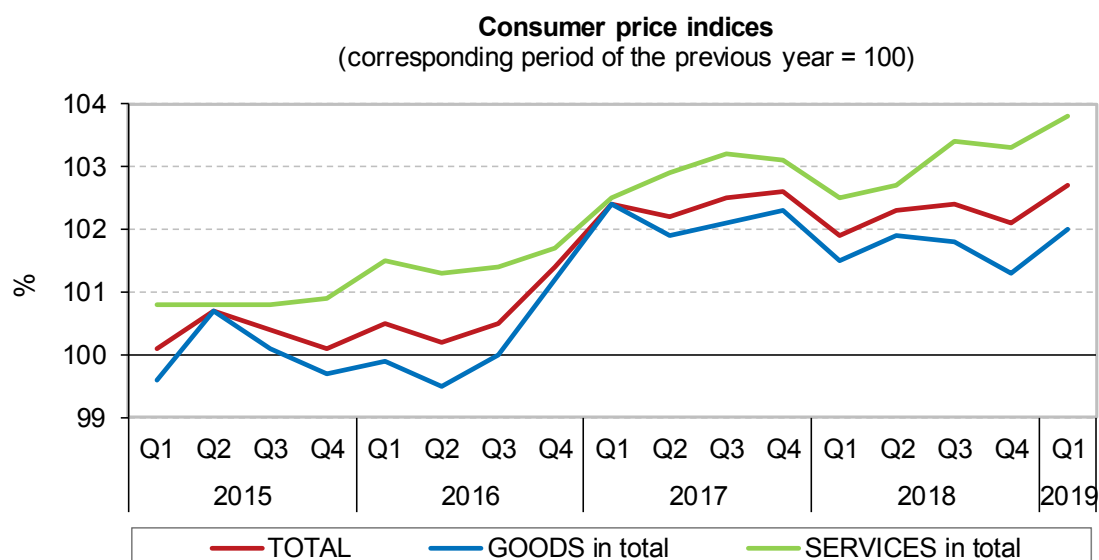
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In **'clothing and footwear'**, prices of garments went down by 2.9% (–2.5% in Q4 2018). Prices of shoes and other footwear rose by 4.2% (1.2% in Q4 2018).

In **'miscellaneous goods and services'**, prices of financial services went up by 4.5%. Prices of personal care rose by 4.6% (4.1% in Q4 2018).

In **'alcoholic beverages and tobacco'**, prices of tobacco products increased by 3.8% (the same as in Q4 2018). Prices of spirits rose by 4.4%, beer by 3.0%, and wine by 0.5%.

The aforementioned fluctuations in consumer prices resulted in a rise in prices of **goods in total** by 2.0% and prices of **services** by 3.8%.

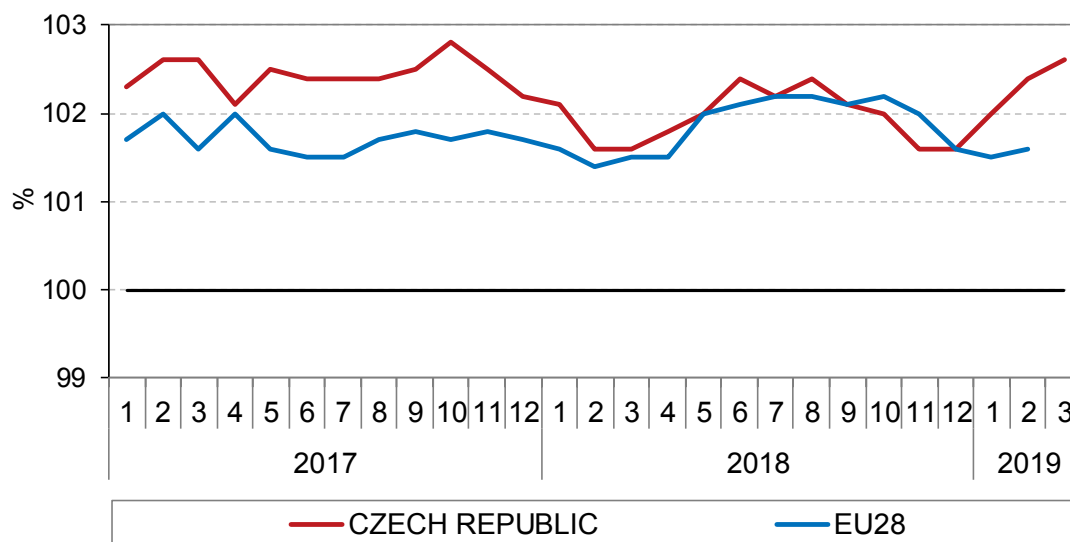


Harmonized index of consumer prices in the EU28

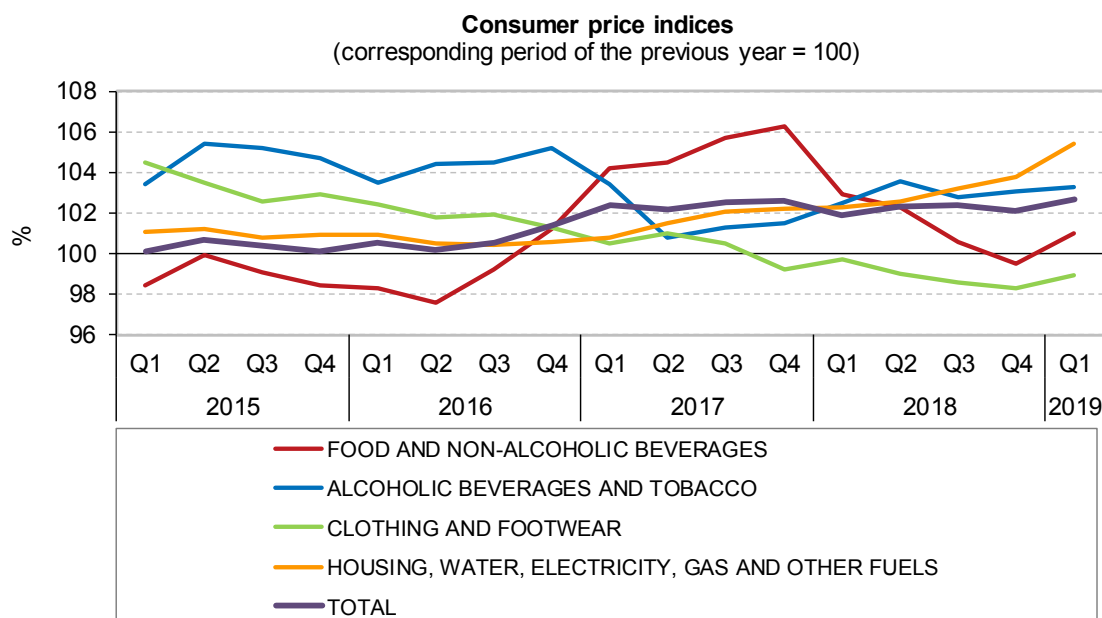
According to Eurostat data, the y-o-y change in the average harmonized index of consumer prices (HICP) in the EU28 was 1.5% in January and 1.6% in February. In the Czech Republic (CR), the y-o-y values of the HICP in January and February were 2.0% and 2.4%, respectively. According to preliminary calculations, the HICP in the CR rose by 2.6%, y-o-y, in March. It can be seen in the chart below that the development of inflation in the CR and in the EU was similar. For most of the survey period, the HICP in the CR was higher than the same indicator in the EU; however, its values in the CR from October to December 2018 were below the EU level for the first time since June 2016. In February, the y-o-y HICP increase in all EU Member States was positive. The values ranged from 0.7% (Ireland) to 4.0% (Romania).

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Harmonized indices of consumer prices
(corresponding period of the previous year = 100)

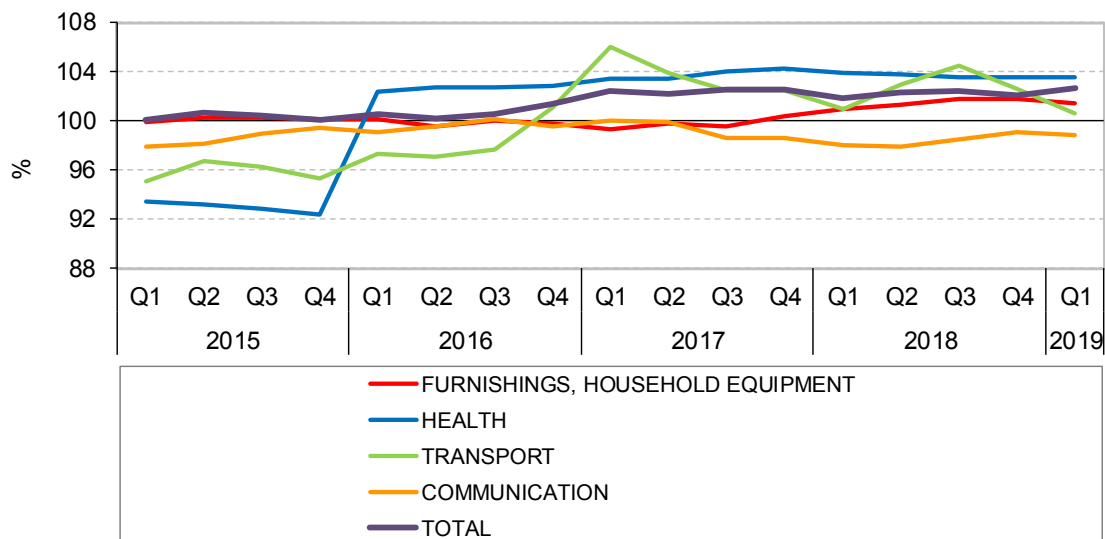


The development of consumer price index by ECOICOP division:

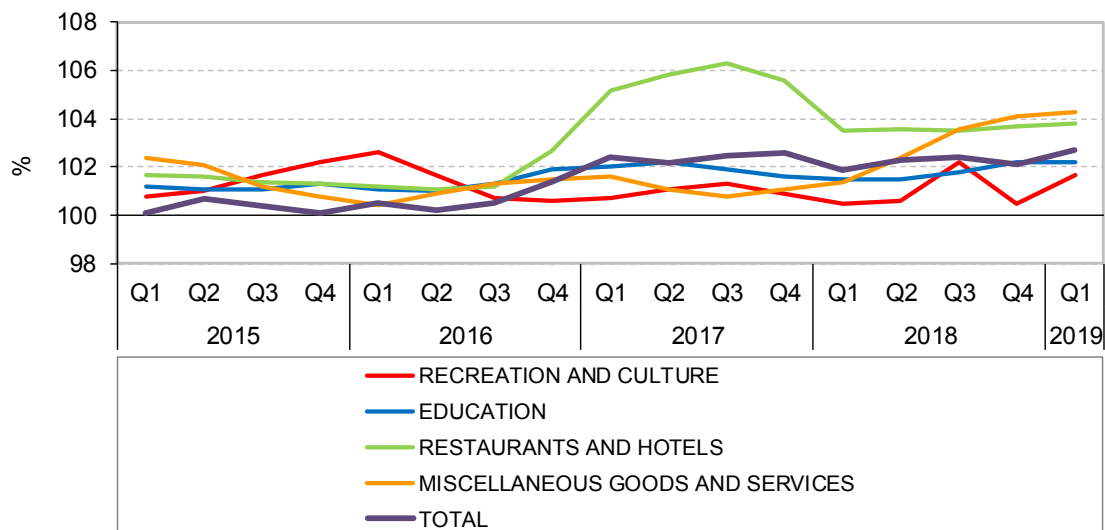


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Consumer price indices
(corresponding period of the previous year = 100)



Consumer price indices
(corresponding period of the previous year = 100)



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Consumer price indices in Q1 2019

ECOICOP	Division	Constant weights of 2016 (per mille)	2018				2019			
			Corresponding period of the previous year = 100							
			Q 1	Q 2	Q 3	Q 4	January	February	March	Q 1
E00	Total	1000.0	101.9	102.3	102.4	102.1	102.5	102.7	103.0	102.7
E01	Food and non-alcoholic beverages	177.6	102.9	102.3	100.6	99.5	99.8	101.3	101.9	101.0
<i>E01.11</i>	<i>Bread and cereals</i>	28.3	102.8	100.0	99.1	99.3	100.8	101.9	103.3	102.0
<i>E01.12</i>	<i>Meat</i>	42.1	103.6	101.5	100.0	99.8	99.5	99.7	99.3	99.5
E02	Alcoholic beverages and tobacco	92.2	102.5	103.6	102.8	103.1	103.2	103.2	103.6	103.3
E03	Clothing and footwear	41.5	99.7	99.0	98.6	98.3	99.3	98.8	98.5	98.9
E04	Housing, water, electricity, gas and other fuels	257.2	102.3	102.6	103.2	103.8	104.9	105.4	105.9	105.4
<i>E04.1</i>	<i>Actual rentals for housing</i>	33.7	102.3	102.9	103.4	103.3	103.8	103.8	103.6	103.7
<i>E04.510</i>	<i>Electricity</i>	42.7	102.8	103.5	105.5	105.6	108.2	108.9	111.9	109.7
<i>E04.521</i>	<i>Natural gas and town gas</i>	24.4	98.9	99.2	99.2	99.5	100.0	103.6	103.6	102.4
E05	Furnishings, household equipment and routine household maintenance	58.1	101.0	101.3	101.8	101.8	101.1	101.4	101.7	101.4
E06	Health	24.5	103.9	103.8	103.6	103.5	103.6	103.5	103.8	103.6
E07	Transport	101.7	101.0	103.0	104.5	102.6	100.8	100.1	100.9	100.6
<i>E07.22</i>	<i>Fuels and lubricants for personal transport equipment</i>	29.1	98.4	104.9	112.3	109.5	101.6	100.1	102.1	101.3
E08	Communication	28.9	98.0	97.9	98.5	99.1	99.0	98.7	98.8	98.8
E09	Recreation and culture	86.3	100.5	100.6	102.2	100.5	101.9	102.2	101.0	101.7
<i>E09.60</i>	<i>Package holidays</i>	19.2	102.4	102.8	109.7	103.2	108.3	108.8	104.5	107.2
E10	Education	5.7	101.5	101.5	101.8	102.2	102.2	102.2	102.2	102.2
E11	Restaurants and hotels	59.1	103.5	103.6	103.5	103.7	103.8	103.8	103.8	103.8
E12	Miscellaneous goods and services	67.2	101.4	102.4	103.6	104.1	104.7	104.2	104.0	104.3

Elaborated by Consumer Prices Statistics Unit of the CZSO

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