

YEAR-ON-YEAR CONSUMER PRICE INDEX ROSE AGAIN

Consumer price indices – inflation – January 2017

Consumer prices in January increased compared with December by 0.8%. This development was primarily due to a rise in prices in 'food and non-alcoholic beverages', 'recreation and culture', 'transport'. The year-on-year growth of consumer prices amounted to 2.2%, i.e. 0.2 percentage points up on December.

The **month-on-month** rise in consumer prices in 'food and non-alcoholic beverages' came primarily from the increase in prices in the group milk, cheese, eggs, where prices of eggs rose by 5.1%, prices of cheese by 1.0%, prices of milk by 1.7% and prices of yoghurts by 8.5%. The growth of prices occurred also in other foods. Prices of vegetables were higher by 3.3%, of which prices of potatoes by 19.4%. Prices of non-alcoholic beverages rose by 1.8%, meat by 0.7%, oils and fats by 3.0%, fruit by 0.7%. The increase in prices in 'recreation and culture' came especially from the rise in prices of package holidays by 8.0%. In 'transport', the increase in prices of automotive fuel continued and amounted to 3.0% in January. The average price of petrol Natural 95 (30.89 CZK per litre) was the highest since September 2015. The average price of diesel oil (30.37 CZK per litre) was the highest since August 2015. In 'alcoholic beverages and tobacco', prices of spirits and wine went up (3.6% and 5.4%, respectively). In 'housing, water, electricity, gas and other fuels', prices of natural gas were mainly higher by 1.4% (partly due to the termination of discounts from last January), electricity by 0.3%, the net actual rentals by 0.9%, water supply by 1.1%, sewage collection by 0.5%.

A drop in the overall price level came primarily from a price decrease in 'clothing and footwear', where prices of garments fell by 3.8% and prices of shoes and other footwear by 4.3%. In 'food and non-alcoholic beverages', prices of rolls and baguettes went down by 3.7% and prices of vegetables cultivated for their fruit by 6.0%. In 'housing, water, electricity, gas and other fuels', prices of heat and hot water were lower by 0.8% and prices of refuse collection by 0.2%.

Prices of goods in total went up by 0.8% and prices of services by 0.9%.

In terms of the **year-on-year** comparison, in January, the consumer prices increased by 2.2%, i.e. 0.2 percentage points up on December. The increase in the y-o-y price level occurred particularly in 'transport', where the rise in prices of automotive fuel accelerated to 11.6% (4.3% in December). A slowdown in the y-o-y price growth occurred in 'alcoholic beverages and tobacco', where prices of alcoholic beverages rose by 0.5% in January (3.1% in December). In 'furnishings, household equipment and routine household maintenance', the price drop slowed down to -0.5% (-1.2% in December).

The biggest influence on the growth of the y-o-y price level in January came from prices in 'food and non-alcoholic beverages'. Prices of bread and cereals increased by 2.7%, eggs by 19.0%, cheese by 13.5%, butter by 14.9%, vegetables by 5.2%. Next in order of influence were prices in 'transport' (a rise 5.1%). In 'alcoholic beverages and tobacco', prices of spirits were higher by 0.8%, wine by 0.7% and tobacco products by 6.5%. An impact on the increase in the price level had also prices in 'restaurants and hotels', where prices of catering services rose by 5.4% (of which prices in restaurants and cafés by 6.8%). In 'housing, water, electricity, gas and other fuels', prices of the net actual rentals rose by 2.1%, water supply by 2.2%, sewage collection by 2.4%, electricity by 0.3%, heat and hot water by 0.8%. In 'health', prices of medicaments and fees paid by patients on prescription drugs rose by 2.7%. The price level increase came also from prices in 'miscellaneous goods and services', where prices of insurance and financial services were higher (3.0% and 1.2%, respectively).

A reduction in the y-o-y price level was influenced except from the price decrease in 'furnishings, household equipment and routine household maintenance' also by the price drop in 'communication' (-0.9%). In 'housing, water, electricity, gas and other fuels', prices of natural gas went down by 5.1%.

Prices of goods in total and prices of services went up (both 2.2%). The overall consumer price index excluding imputed rentals was 102.2%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to January 2017 compared with the average CPI in the previous twelve months, amounted to 0.8% in January.

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 1.2% **in December**, i.e. 0.6 percentage points more than in November. Prices went up the most in Estonia (2.4%), the Czech Republic and Latvia (both 2.1%). On the other hand, the decrease occurred in three EU countries, of which the largest in Bulgaria (-0.5%). In Slovakia, prices turned from a drop by 0.2% in November to a rise by 0.2% in December. In Germany, prices increased by 1.7% (0.7% in November). According to preliminary calculations, the HICP in the Czech Republic **in January** went up by 0.8%, **month-on-month**, and by 2.3%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in January 2017** was 1.8%, 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 have 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 will continue to be 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.