

## FUEL PRICES CONTINUED TO GROW

### Consumer price indices – inflation – June 2018

**Consumer prices in June increased by 0.4% compared with May. This development was influenced especially by higher prices in 'housing, water, electricity, gas and other fuels' and 'transport'. The year-on-year growth of consumer prices accelerated to 2.6% in June, which was 0.4 percentage points up on May.**

The **month-on-month** increase in consumer prices in 'housing, water, electricity, gas and other fuels' came from higher prices of electricity by 2.3% in particular. In 'transport', the price rise in fuels and lubricants for personal transport equipment continued for the third month and amounted to 3.3% in June. The average price of diesel oil (CZK 32.36 per litre) was the highest since July 2015; the average price of petrol *Natural 95* (CZK 33.12 per litre) was even the highest since December 2014. In 'food and non-alcoholic beverages', prices rose primarily in the group of milk, cheese, eggs, where prices of cheese and curd were higher by 1.7% and prices of eggs by 5.0%. The price growth occurred also in other food. Prices of fruit were higher by 1.7%, vegetables by 0.8%, of which potato prices by 28.3% (partly due to market offer, which switched from old to new potatoes). Prices of non-alcoholic beverages went up by 0.8% and prices of butter by 4.3%. In 'recreation and culture', the increase in consumer prices was caused by the rise in seasonal prices of package holidays by 3.7%.

The decrease in the overall consumer price level in June was influenced especially by the price drop in 'clothing and footwear', where prices of garments and prices of shoes and other footwear declined (both -0.7%). In 'furnishings, household equipment and routine household maintenance', lower prices came from the decline in prices of goods and services for routine household maintenance by 1.0% in particular. In 'alcoholic beverages and tobacco', prices of beer went down by 1.9% and prices of spirits by 0.8%.

Prices of goods in total and prices of services went up (0.3% and 0.4%, respectively).

In terms of the **year-on-year** comparison, in June, the consumer prices increased by 2.6%, i.e. 0.4 percentage points up on May. The acceleration in the year-on-year price rise occurred especially in 'transport', where prices of fuels and lubricants for personal transport equipment rose by 10.5% in June (4.9% in May). In 'housing, water, electricity, gas and other fuels', the price level increased especially due to the higher year-on-year rise in prices of electricity by 5.1% (2.8% in May) and prices of actual rentals for housing by 3.1% (2.9% in May).

The biggest influence on the growth of the y-o-y price level in June came, as before, from prices in 'housing, water, electricity, gas and other fuels', where prices of water supply and sewage collection were higher (1.8% and 1.3%, respectively). Next in order of influence were prices in 'food and non-alcoholic beverages', where prices of eggs were higher by 18.1%, year-on-year, butter by 10.9%, fruit by 7.8%, vegetables by 8.5%, of which prices of potatoes by 7.9%. The overall price level went up also due to prices in 'transport' (a growth by 4.6%). In 'alcoholic beverages and tobacco', prices of spirits rose by 5.2%, wine by 2.9%, beer by 1.6% and tobacco products by 3.7%.

A reduction in the price level in June came from prices in 'communication', where prices of telephone and telefax services went down by 1.7% in particular. The drop occurred also in 'clothing and footwear' due to lower prices of garments by 1.7%. In 'housing, water, electricity, gas and other fuels', prices of natural gas decreased by 0.8% and prices of heat and hot water by 0.2%.

Prices of goods in total and services went up (2.3% and 2.8%, respectively). The overall consumer price index excluding imputed rentals for housing was 102.5%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to June 2018 compared with the average CPI in the previous twelve months, amounted to 2.3% in June.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices** (HICP)<sup>1)</sup> in the **EU28 member states** amounted to 2.0% **in May**, i.e. 0.5 percentage points up on April. The rise in prices was the highest in Romania (4.6%) and the lowest price increase was in Ireland and Greece (0.7% and 0.8%, respectively). In Slovakia, the price increase decelerated to 2.7% in May (3.0% in April). In Germany, prices were higher by 2.2% (1.4% in April). According to preliminary calculations, the HICP in the Czech Republic **in June** rose by 0.4%, **month-on-month**, and by 2.4%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in June 2018** amounted to 2.0%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

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<sup>1)</sup> Imputed rentals are excluded from the HICP.