

CONSUMER PRICES WENT UP, YEAR-ON-YEAR

Consumer price indices – inflation – January 2019

Consumer prices in January increased by 1.0% compared with December. This development came from a price rise in 'housing, water, electricity, gas and other fuels' in particular. The year-on-year growth of consumer prices accelerated to 2.5% in January, which was 0.5 percentage points up on December.

The **month-on-month** rise in consumer prices in 'housing, water, electricity, gas and other fuels' came primarily from higher prices of electricity by 5.3%, heat energy by 2.8%, actual rentals for housing by 0.7%, charges for both water supply and sewage collection by 2.6%, natural gas by 0.5%. In 'alcoholic beverages and tobacco', prices of spirits went up by 8.1%, wine by 8.4%, beer by 3.0%, and tobacco products by 0.3%. The rise in 'recreation and culture' was due especially to higher prices of package holidays by 11.5%. In 'food and non-alcoholic beverages', prices of vegetables were primarily higher by 2.8%, of which prices of potatoes went up by 3.1%. Prices of poultry increased by 2.9%, fruit by 2.0%, oils and fats by 2.2%, yoghurts by 3.3%. In 'miscellaneous goods and services', prices of personal care went up by 2.1%.

The decrease in the overall consumer price level in January came from lower prices in 'clothing and footwear', where prices of garments went down by 2.9% and prices of shoes and other footwear by 2.1%. In 'transport', the drop in prices of fuels and lubricants for personal transport equipment continued for the third month (–3.8% in January). The average price of petrol *Natural* 95 (CZK 30.63 per litre) was the lowest since March 2018. The average price of diesel oil (CZK 31.14 per litre) was the lowest since April 2018.

Prices of goods in total rose by 1.0% and prices of services by 1.1%.

In terms of the **year-on-year** comparison, in January, the consumer prices rose by 2.5%, i.e. 0.5 percentage points up on December. An acceleration in the year-on-year price rise occurred primarily in 'housing, water, electricity, gas and other fuels'. Prices of actual rentals for housing increased by 3.8% in January (3.3% in December), charges for both water supply and sewage collection by 2.6% (1.8% and 1.3%, respectively in December), electricity by 8.2% (5.6% in December), heat energy by 3.8% (1.0% in December). In 'alcoholic beverages and tobacco', the acceleration in the year-on-year price increase occurred as well. Prices of spirits rose by 3.4% (1.9% in December), tobacco products by 4.1% (3.9% in December) and prices of wine turned from a drop (–2.9%) in December into a growth (0.3%) in January. The year-on-year price drop slowed down in two divisions of the consumer basket. In 'food and non-alcoholic beverages', prices of eggs decreased by 22.4% (–27.8% in December), fruit by 8.5% (–10.2% in December), prices of butter turned from a decline by 5.4% in December into a rise by 3.8% in January. Potato prices accelerated the year-on-year growth to 55.9% (41.7% in December). In 'clothing and footwear', prices of garments were lower by 2.4% (–2.7% in December) and prices of shoes and other footwear rose by 4.5%, year-on-year (2.5% in December). In 'transport', the y-o-y price increase decelerated due to prices of fuels and lubricants for personal transport equipment, which were higher by 1.6% in January (6.1% in December).

The biggest influence on the growth of the y-o-y price level (which was even stronger in January) came, as before, from prices in 'housing, water, electricity, gas and other fuels' (a growth by 4.9%). Next in order of influence were prices in 'alcoholic beverages and tobacco', (a growth by 3.2%). The impact on the price level increase had also prices in 'miscellaneous goods and services', where prices of personal care rose by 5.4%, insurance by 6.4%, and financial services by 4.3%. In 'restaurants and hotels', prices of catering services were higher by 3.9% and prices of accommodation services by 2.7%.

A reduction in the price level in January came from prices in 'food and non-alcoholic beverages', where prices of sugar fell by 30.6%, UHT semi skimmed milk by 5.4%, non-alcoholic beverages by 1.4%.

Prices of goods in total and services went up (1.5% and 3.9%, respectively). The overall consumer price index excluding imputed rentals for housing was 102.0%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to January 2019 compared with the average CPI in the previous twelve months, amounted to 2.2% 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 1.7% **in December** (0.3 percentage points down on November). The rise in prices was the highest in Estonia (3.3%) and the lowest price increase was in Greece and Portugal (both 0.6%). In Slovakia, the price rise decelerated to 1.9% in December from 2.0% in November. In Germany, prices were higher by 1.7% (2.2% in November). According to preliminary calculations, the **month-on-month** change in the HICP in the Czech Republic **in January** amounted to 1.0% and the **year-on-year** growth was 2.0%. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in January 2019** amounted to 1.4%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

¹⁾ Imputed rentals are excluded from the HICP.