Year-on-year growth of consumer prices slowed down moderately

Consumer price indices – November 2014

**Consumer prices in November dropped compared with October (-0.2%). This development was mainly due to the decrease in prices in 'transport', 'alcoholic beverages and tobacco', 'food and non-alcoholic beverages'. The year-on-year increase in consumer prices decelerated to 0.6% in November (0.7% in October).**

The **month-on-month** decrease in consumer prices in 'transport' came primarily from the reduction in prices of fuel (-2.0%), which was the biggest since October 2013. In 'alcoholic beverages and tobacco', prices of beer declined (-3.1%) similarly as prices of spirits and wine (both -1.3%). In 'food and non-alcoholic beverages', prices of fruit were primarily lower (-5.9%) as well as prices of pork (-1.5%), milk (-3.3%), cheese (-0.9%), yoghurts (-1.9%), sugar (-3.2%). A moderate price reduction was shown also in further divisions of the CPI basket. In 'miscellaneous goods and services', prices of products and services for personal care decreased (-0.8%). In 'recreation and culture', prices of package holidays went down (-2.1%).

A contrary effect on the overall consumer price level in November owed to a rise only in two divisions of the consumer basket. In 'furnishings, household equipment and routine household maintenance', prices of cleaning and maintenance products increased particularly by 2.5%. In 'clothing and footwear', prices of shoes and other footwear went up by 0.7%. In food, prices of non-alcoholic beverages rose mainly by 2.2%, eggs by 6.3%, rolls and baguettes by 2.8%. Prices of vegetables were higher by 1.1%, of which prices of potatoes by 4.9%.

Prices of goods in total and prices of services went down (-0.3% and -0.2%, respectively).

In terms of the **year-on-year** comparison, in November, the consumer price level rose by 0.6%, i.e. 0.1 percentage point down from October. The deceleration in the y-o-y price growth was mainly in 'food and non-alcoholic beverages', where the rise in prices of rice slowed down to 1.6% (3.7% in October), meat to 1.2% (1.9% in October), milk to 1.3% (6.5% in October), cheese to 1.6% (4.0% in October), yoghurts to 5.5% (11.5% in October). Fruit prices were higher by 2.2% (9.1% in October) due to a slowdown in the price increase or a deeper drop in prices of almost all kinds of fruits. A deceleration in the year-on-year growth was shown in 'transport' due to fuel prices, which were higher by 0.6% (1.7% in October). In 'alcoholic beverages and tobacco', a slowdown in the y-o-y price increase occurred due to the lower rise in prices of alcoholic beverages by 0.8% in November (1.5% in October). On the other hand, in 'clothing and footwear', the growth of prices accelerated due to the rise in prices of garments by 2.2% (1.9% in October) and shoes and other footwear by 7.4% (6.4% in October).

The biggest effect on the y-o-y rise in consumer prices came, in spite of the reduction of their influence, from prices in 'food and non-alcoholic beverages'. The second in order of influence on the overall level of consumer prices was the division 'miscellaneous goods and services', where prices of insurance and financial services were higher (3.5% and 5.2%, respectively).

The reduction of the y-o-y price growth was affected by a decline in prices in 'housing, water, electricity, gas and other fuels' due to the fall in prices of electricity (-10.2%). Natural gas prices increased by 2.4%, the net actual rentals by 1.0%, water supply by 3.4%, sewage collection by 3.2%, heat and hot water by 0.7%. The year-on-year decrease in prices continued in 'communication' due to the drop in prices of telephone and telefax services and mobile phones (-1.9% and -19.9%, respectively).

Prices of goods in total went up by 0.1% and prices of services rose by 1.2%. The overall consumer price index excluding imputed rentals was 100.4%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to November 2014 compared with the average CPI in the previous twelve months, stood at 0.5% in November (the same as in October).

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP)[[1]](#footnote-1)) in the **EU28 member states** was 0.5% **in** **October,** i.e**.** 0.1 percentage point more than inSeptember. Prices went up the most in Romania (1.8%) and Austria (1.4%). On the other hand, the largest price decline occurred in Greece and Bulgaria (-1.8% and -1.5%, respectively). In Slovakia, the y-o-y growth of prices was zero (a drop by 0.1% in September). In Germany, the year-on-year price rise slowed down to 0.7% in October, i.e. 0.1% down on September. According to preliminary calculations, the HICP in the Czech Republic **in November** dropped by 0.3%, **month-on-month**, and was higher by 0.6% (0.7% in October), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** in **November 2014** amounted to 0.3%, y-o-y, as Eurostat announced (more information on the Eurostat’s web pages: [**HICP**](http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction)).

In November, in comparison to October, consumer prices fell in **households of pensioners** (-0.3%). In ‘alcoholic beverages and tobacco‘, the consumer price index went down (-1.3%). The drop was affected mainly by lower prices of beer. In ‘transport‘, the decrease in prices occurred (-0.9%). Prices of fuel went primarily down. A decline in the overall consumer price index was also influenced by the price drop (-0.4%) in ‘food and non-alcoholic beverages‘. It was shown the decrease in prices of fruit in particular. On the other hand, the increase in prices by 0.2% occurred in ‘furnishings, household equipment and routine household maintenance‘. The growth was caused mainly by higher prices of cleaning and maintenance products.

**In the capital city of Prague**, the overall consumer price index (cost of living) remained unchanged, m-o-m (-0.2% in the whole Czech Republic). In ‘clothing and footwear‘, the consumer price index increased by 1.0% (0.1% in the Czech Republic) due mainly to higher prices of garments. In ‘furnishings, household equipment and routine household maintenance‘, Prague registered a higher index by 0.8% (0.2% in the Czech Republic). There were mainly higher prices of refrigerators and freezers. On the other hand, in ‘transport‘, the consumer price index dropped by 0.7% (-0.8% in the Czech Republic). It was mainly a result of lower fuel prices. In ‘health‘, consumer prices went down by 0.6% (-0.2% in the Czech Republic). Prague registered especially lower prices of hospital services.

1. *) So far, imputed rentals have been excluded from the HICP* [↑](#footnote-ref-1)