

YEAR-ON-YEAR CONSUMER PRICE GROWTH REMAINED UNCHANGED

Consumer price indices – inflation – June 2016

Consumer prices in June increased compared with May by 0.1%. This development was primarily due to a growth of prices in 'transport' and 'recreation and culture'. The year-on-year rise in consumer prices was 0.1% in June, i.e. the same as in May.

The **month-on-month** increase in consumer prices in 'transport' came from the rise in automotive fuel prices by 4.0%. In 'recreation and culture', prices of package holidays went especially up by 1.3%.

A decrease in the price level came particularly from a price drop in 'food and non-alcoholic beverages', where prices of bread went primarily down by 1.6% as well as prices of eggs by 6.2%, milk by 2.0%, cheese by 1.1%, other milk products by 1.9%, butter by 3.7%, non-alcoholic beverages by 0.8%. Vegetable prices dropped by 2.9%, of which prices of vegetables cultivated for their fruit declined by 15.1%, while potato prices rose by 11.5% because market offer switched from old to new potatoes. In 'clothing and footwear', prices of garments were lower by 1.0% and prices of shoes and other footwear remained unchanged.

Prices of goods in total went up by 0.1% as well as prices of services.

In terms of the **year-on-year** comparison, in June, the consumer prices increased by 0.1%, i.e. the same as in May. This development was especially due to a slowdown in the price drop in 'transport' and on the other hand due to a deepening in the price decline in 'food and non-alcoholic beverages'. In 'transport', the decrease in prices of automotive fuel slowed down to 10.2% in June from 12.9% in May. In 'food and non-alcoholic beverages', prices of fruit dropped especially by 5.7%, (-3.2% in May), bread by 2.2% (-0.8% in May), other milk products by 7.3% (-5.3% in May), butter by 10.5% (-9.3% in May), non-alcoholic beverages by 1.5% (-0.6% in May). The price growth of vegetables slowed down to 2.1% in June from 4.1% in May due to the development of potato prices, which were higher by 10.4% (43.7% in May).

The biggest influence on the growth of the y-o-y price level in June came from prices in 'alcoholic beverages and tobacco' due to the increase in prices of tobacco products and alcoholic beverages (5.1% and 2.5%, respectively). An influence had prices in 'housing, water, electricity, gas and other fuels', where prices of the net actual rentals increased by 1.5%, water supply by 1.6%, sewage collection by 5.3%, electricity by 1.2%, heat and hot water by 0.9%. In 'clothing and footwear', prices of garments were higher by 0.4% and prices of shoes and other footwear by 5.2%. In 'recreation and culture', prices of recreational and cultural services went up by 2.1%. In 'restaurants and hotels', prices of catering services were higher by 1.3%, while prices of accommodation services remained unchanged. In 'miscellaneous goods and services', prices of hairdressing salons and services of personal care were higher by 2.2% and financial services by 2.1%.

A reduction in the y-o-y price level came, as before, from the price decrease in 'food and non-alcoholic beverages', where milk prices decreased by 12%, cheese by 11%, yoghurts by 11.6%. In 'housing, water, electricity, gas and other fuels', prices of natural gas went down by 6.9%. In 'transport', the decreasing influence continued (-2.3%).

Prices of goods in total went down by 0.7%, while prices of services rose by 1.2%. The overall consumer price index excluding imputed rentals was 99.9%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to June 2016 compared with the average CPI in the previous twelve months, amounted to 0.3% in June.

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 -0.1% **in May** i.e. 0.1 percentage point more than in April. Prices went up the most in Belgium (1.6%) and Malta (1.0%). On the other hand, the decrease occurred in sixteen EU countries, of which the largest in Romania (-3.0%) and Bulgaria (-2.5%). In Slovakia, prices went down by 0.7% in May (-0.4% in April). In Germany, the year-on-year price change was 0.0% in May (-0.3% in April). According to preliminary calculations, the HICP in the Czech Republic **in June** was 0.1%, **month-on-month**, and the **year-on-year** change was -0.1% (0.0% in May). The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in June 2016** amounted to 0.1%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

¹⁾ So far, imputed rentals have been excluded from the HICP