

CONSUMER PRICES ROSE SLIGHTLY YEAR-ON-YEAR

Consumer price indices – inflation – April 2018

Consumer prices in April increased by 0.3% compared with March. This development was influenced especially by higher prices in 'clothing and footwear'. The year-on-year growth of consumer prices accelerated to 1.9%, which was 0.2 percentage points up on March.

The **month-on-month** increase in consumer prices in 'clothing and footwear' came primarily from the rise in prices of garments by 2.9% and prices of shoes and other footwear by 5.9%. In 'housing, water, electricity, gas and other fuels', prices of actual rentals for housing went up by 0.4%. In 'alcoholic beverages and tobacco', prices increased due to higher prices of tobacco products by 1.0% and alcoholic beverages by 0.9%. The price development in 'transport' was influenced by prices of fuels and lubricants, which went up by 1.3% in April. The average price of petrol Natural 95 (30.77 CZK per litre) and the average price of diesel oil (30.00 CZK per litre) were the highest since April 2017. In 'food and non-alcoholic beverages', prices of UHT semi skimmed milk and prices of non-alcoholic beverages were primarily higher (4.9% and 0.6%, respectively).

The price drop in 'food and non-alcoholic beverages' contributed to the decrease in the overall consumer price level in April. Prices of fruit were especially lower by 4.3%, vegetables by 3.6%, and bread and cereals by 0.9%. In 'recreation and culture', prices of package holidays went mainly down by 2.0%.

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

In terms of the **year-on-year** comparison, in April, the consumer prices increased by 1.9%, i.e. 0.2 percentage points up on March. The acceleration in the year-on-year price rise occurred especially in 'alcoholic beverages and tobacco', where prices of alcoholic beverages were higher by 4.2% in April (0.7% in March) and prices of tobacco products by 3.5% (2.9% in March).

The biggest influence on the growth of the y-o-y price level in April came, as before, from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing rose by 2.6%, water supply by 1.8%, sewage collection by 1.3%, electricity by 2.8%. Next in order of influence were prices in 'food and non-alcoholic beverages', where prices of flour increased by 14.4%, y-o-y, poultry by 5.0%, yoghurts by 12.7%, eggs by 13.5%, butter by 10.1%, margarine and other vegetable fats by 8.8%. In 'alcoholic beverages and tobacco', prices of spirits were higher by 5.1%, wine by 3.6%, and beer by 3.5%. The rise in the price level came also from prices in 'restaurants and hotels', where prices of catering services rose by 3.5% and prices of accommodation services by 2.9%.

A reduction in the price level in April came from prices in 'communication', where prices of telephone and telefax services went primarily down by 2.0%. The drop occurred also in 'clothing and footwear' due to lower prices of garments by 2.0%. In 'housing, water, electricity, gas and other fuels', prices of natural gas decreased by 0.8% and prices of heat and hot water by 0.4%.

Prices of goods in total and services went up (1.6% and 2.6%, respectively). The overall consumer price index excluding imputed rentals was 101.7%, year-on-year.

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

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 1.5% **in March**, i.e. 0.1 percentage point up on February. The rise in prices was the highest in Romania (4.0%). On the other hand, the year-on-year drop occurred in Cyprus (−0.4%) in March. In Slovakia, the price increase accelerated to 2.5% in March (2.2% in February). In Germany, prices were higher by 1.5% (1.2% in February). According to preliminary calculations, the HICP in the Czech Republic **in April** was 0.3%, **month-on-month**, and rose by 1.8%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in April 2018** was 1.2%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

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Starting from January 2018, the consumer price indices are calculated on the base of new introduced ECOICOP classification (European Classification of Individual Consumption by Purpose), which introduces a more detailed breakdown in the consumer basket. This change occurs according to the Regulation (EU) 2016/792 of the European Parliament and of the Council. The structure of publisher indices remains unchanged.

Starting from January 2018, the consumer price indices are counted on updated weights, which are determined on the base of household expenditure in 2016. These indices are chained at all levels of the consumer basket with the base period average of 2015 = 100. Thereby, a continuation of the existing index time series, from which indices to other bases are derived (previous month = 100, corresponding period of the previous 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) is ensured.

You can find the new consumer basket on CZSO web pages: [consumer basket](#).

¹⁾ Imputed rentals are excluded from the HICP.