

Year-on-year inflation increased

Consumer price indices – October 2011

Consumer prices increased in October by 0.3 %, month-on-month. This growth came primarily from a price rise in 'food and non-alcoholic beverages' and 'clothing and footwear'. The increase in consumer prices accelerated to 2.3 %, year-on-year (from 1.8 % in September).

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The **month-on-month** consumer price growth by 0.3 % owed particularly to a price increase in fruit by 7.9 %, vegetables cultivated for their fruit by 7.2 %, eggs by 7.7 %, chocolate and chocolate products by 2.5 %, non-chocolate confectionery by 4.4 %. Prices of meat rose by 0.8 %, milk by 0.7 %, oils and fats by 0.8 %. Prices of clothing and footwear went up (1.8 % and 2.7 %, respectively). In 'housing, water, electricity, gas and other fuels', prices of natural gas rose by 0.7 %. In 'transport', prices of automotive fuel grew by 0.5 %. Financial services prices increased by 0.4 %.

A contrary effect on the price level came primarily from a drop in prices of therapeutic stays at a spa by 5.7 % and domestic recreational stays by 6.6 %. In food, prices of potatoes decreased particularly by 11.1 %, other vegetables (root vegetables and cabbages) by 8.9 %, sugar by 2.1 %.

Prices of goods in total rose by 0.4 %, while prices of services dropped by 0.1 %.

In terms of the **year-on-year** comparison, in October, the increase in consumer prices was 2.3 %, i.e. 0.5 percentage points up on September. An acceleration of the price growth was particularly shown in 'food and non-alcoholic beverages', 'alcoholic beverages, tobacco', 'transport'. In 'food and non-alcoholic beverages', prices of beef rose by 4.9 % (3.7 % in September), eggs by 14.6 % (6.7 % in September), vegetable fats by 14.7 % (12.7 % in September), cocoa by 18.3 % (14.7 % in September), mineral or spring waters by 9.0 % (5.6 % in September). Fruit prices increased in October by 6.1 %, while in September they were by 6.4 % lower, y-o-y. Prices of alcoholic beverages rose by 3.3 % (2.2 % in September). In 'transport', the growth of prices of automotive fuel accelerated to 11.5 % (10.7 % in September) and the drop in car prices slowed down to 2.1 % (-3.0 % in September).

The highest influence on the y-o-y growth of the overall consumer price level (which even strengthened in October) came from prices in 'food and non-alcoholic beverages'. Prices of bread were higher by 25.7 %, rolls and baguettes by 34.9 %, flour by 28.1 %, milk by 9.2 %, sugar by 27.8 %, coffee by 26.3 %. In the order of the second strongest influence came from prices in 'housing, water, electricity, gas and other fuels', in which prices of natural gas increased by 12.5 %, electricity by 4.6 %, water supply by 6.2 %, sewerage collection by 5.8 %, heat and hot water by 1.7 %. The net actual rentals increased by 3.7 %, of which for dwellings with regulated rentals rose by 9.3 % and for dwellings with market rentals by 1.3 %.

The reduction in the y-o-y growth came mainly from prices in 'recreation and culture', where prices of audio-visual, photographic and information processing equipment were lower (-11.5 %). The y-o-y drop in prices of household appliances continued (-4.6 %). Prices in 'clothing and footwear' were lower due to a decrease in prices of clothing (-1.8 %). In 'communications', prices of mobile phones dropped (-9.7 %).

Prices of goods in total increased by 2.9 %, while prices of services by 1.2 %. The overall consumer price index excluding imputed rentals was 102.6 %, year-on-year.

Average inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2011 compared with the average CPI in the previous twelve months, stood at 1.9 % in October.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP) in the **EU27 member states** was 3.3 % in **September 2011** (0.4 percentage point up on August). The highest annual rates were observed in Estonia (5.4 %), and the lowest in Ireland (1.3 %). An acceleration of the price growth was recorded for number of EU countries. In Germany, the y-o-y growth accelerated to 2.9 % (from 2.5 % in August). Similarly, in Slovakia the increase in the HICP accelerated to 4.4 % in September (4.1 % in August). According to preliminary calculations, the HICP in the **Czech Republic in October 2011** increased by 0.3 %, **month-on-month**, and amounted to 2.6 % (2.1 % in September), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in October 2011** was 3.0 %, y-o-y, as Eurostat announced (more information on the Eurostat's web page: [HICP](#)).

In October 2011, in comparison to September 2011, consumer prices rose in **households of pensioners** by 0.2 %. It was recorded a higher consumer price index for 'clothing and footwear' by 1.7 %. The increase was affected particularly by higher prices of ready-made clothing and footwear. Higher index was registered for 'food and non-alcoholic beverages' by 0.8 % due mainly to an increase in prices of fruit and eggs and egg products. In 'transport', the consumer prices went up by 0.3 %. An upward effect on the consumer price level came primarily from the rise in prices of automotive fuel and second hand cars. On the other hand, a lower index was recorded for 'recreation and culture' (-0.3 %) mainly due to lower prices of domestic recreational stays. A drop was recorded for 'health' (-0.2 %), primarily due to the decrease in prices of hospital services.

In the capital city of Prague, the overall consumer price index (cost of living) increased by 0.3 % month-on-month (0.3 % in the whole Czech Republic, as well). The consumer price index for 'clothing and footwear' rose by 2.2 % (1.9 % in the Czech Republic) due primarily to higher prices of ready-made clothing and footwear. Prague registered a higher index for 'food and non-alcoholic beverages' by 0.7 % (0.9 % in the Czech Republic) particularly due to higher prices of fruit and eggs and egg products. The consumer price index for 'miscellaneous goods and services' went up by 0.6 % (0.2 % in the Czech Republic), affected mainly by higher prices of beauty products. On the other hand, a decrease occurred in 'health' by 0.3 % (-0.1 % in the Czech Republic) as a result of lower prices of hospital services in particular.