

# Prices of automotive fuel continued to grow, food prices dropped

## Consumer price indices – June 2009

The total consumer price level in June remained unchanged compared with May (index 100.0 % month-on-month). This development came mainly from an increase in prices of automotive fuel and a drop in food prices like in the previous month. The year-on-year consumer price growth decelerated further to 1.2 % in June (from 1.3 % in May).

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The **month-on-month** consumer price development was influenced primarily by a price rise in 'transport', in which the price increase of automotive fuel continued for the fifth month to reach 5.8 % in June. Since October 2008 the highest average price of petrol Natural 95 was registered in June. In food, prices of potatoes increased by 28.3 % because market offer switched from old to new potatoes.

An opposite effect on the consumer price level came from a price decrease in majority of food, which continued for the fifth month. Prices of rolls and baguettes were lower by 9.4 %, flour by 10.6 %, other fruit by 26.0 % and vegetables grown for fruit by 26.1 %. In 'alcoholic beverages, tobacco', prices of alcoholic beverages decreased by 0.6 %. In 'miscellaneous goods and services', prices of electrical appliances for personal care fell due to discounts on sales by 2.5 %.

Prices of goods in total remained unchanged, while prices of services rose by 0.1 %.

In terms of the **year-on-year** comparison, in June, the increase in consumer prices was 1.2 %, i.e. 0.1 percentage point down on May. This is the lowest year-on-year growth since December 2003. The deceleration of y-o-y price growth came mainly from deeper price drop in 'food and non-alcoholic beverages', in which prices of bread and cereals were lower by 10.8 % (-9.4 % in May), oils and fats by 5.7 % (-4.5 % in May) and fruit by 12.7 % (-10.9 % in May). Prices of potatoes in spite of their high month-on-month increase (which was lower than in the previous year) turned from a growth by 5.6 % in May to a drop by 10.2 % in June. On the other hand, in 'transport', the price drop slowed down due to lower prices of automotive fuel by 14.8 % (-16.8 % in May).

Prices of clothing were lower than in the previous year (-3.2 %), footwear (-1.6 %), household appliances (-1.1 %), detergents (-10.8 %), cars (-9.8 %), audiovisual and photographic equipment and data-processing equipment (-10.6 %). Prices of mobile phones also decreased and so did prices of telephone and telefax services (-16.3 % and -4.0 %, respectively).

The most marked growth was reported for 'alcoholic beverages, tobacco' due to a 14.8 % price increase in tobacco products. The second biggest growth was registered in 'housing, water, electricity, gas and other fuels', in which prices of natural gas rose by 17.1 %, prices of electricity by 11.6 %, heat and hot water by 7.5 %, water supply by 9.2 % and sewerage collection by 9.0 %. Net actual rentals rose by 19.0 %, of which for dwellings with regulated rentals by 27.1 %, while for dwellings with market rentals by 4.5 %.

Prices of goods in total dropped by 0.2 % and prices of services were higher by 3.4 %. The overall consumer price index excluding imputed rentals was higher by 1.1 %, year-on-year.

Average inflation rate, i.e. **the increase in the average consumer price index in the twelve months to June 2009** compared with the average CPI in the previous twelve months, stood at 3.7 % in June, which is 0.4 percentage point down compared with May 2009.

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 0.7 % in **May** (0.6 percentage point down on April). The highest annual rates were observed in Romania (5.9 %). In the six EU member states was recorded a year-on-year drop in May, in which the deepest in Ireland by 1.7 %. In Germany, the reported growth of prices was 0.0 % in May (0.8 % in April), in Slovakia the growth decelerated to 1.1 % (from 1.4 % in April). According to preliminary calculations, the rise in the HICP in the **Czech Republic in June 2009** was 0.0 %, **month-on-month**, and decelerated to 0.8 % (0.9 % in May), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in June 2009** was -0.1 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).