

FOOD PRICES WENT DOWN

Consumer price indices – inflation – November 2018

Consumer prices in November decreased by 0.1% compared with October. This development came from a price decrease in 'food and non-alcoholic beverages' in particular. The year-on-year growth of consumer prices decelerated to 2.0% in November, which was 0.2 percentage points down on October and the lowest value since April 2018.

The **month-on-month** decrease in 'food and non-alcoholic beverages' came primarily from lower prices of fruit and vegetables (–6.3% and –4.2%, respectively). Prices of oils and fats also went down by 4.2%, pork by 2.9%, sugar by 8.8% and non-alcoholic beverages by 0.8%. In 'recreation and culture', prices of package holidays dropped by 1.2%. The decline in prices in 'furnishings, household equipment and routine household maintenance' influenced especially lower prices of goods and services for routine household maintenance (–1.8%).

The increase in the overall consumer price level in November came mainly from higher prices in 'housing, water, electricity, gas and other fuels' due to a rise in prices of heat and hot water by 1.0% and natural gas by 0.2%. In 'clothing and footwear', prices of shoes and other footwear went up by 2.8%. The growth of prices in 'hotels and restaurants' was due primarily to higher prices of catering services by 0.5%. In food, prices of poultry and UHT semi skimmed milk rose (2.5% and 4.6%, respectively).

Prices of goods in total went down by 0.4%, while prices of services increased by 0.2%.

In terms of the **year-on-year** comparison, in November, the consumer prices rose by 2.0%, i.e. 0.2 percentage points down on October. The deceleration in the year-on-year rise occurred primarily in 'food and non-alcoholic beverages', where the price drop of many kinds of food deepened. Prices of eggs deepened their fall to –26.1% (–0.5% in October). It was also partly due to their significant month-on-month increase in November 2017. Prices of bread and cereals were lower by 1.7% (0.9% in October), pork by 2.7% (1.2% in October), oils and fats by 1.8% (1.4% in October), fruit by 9.4% (4.1% in October).

The biggest influence on the growth of the y-o-y price level came, as before, from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing increased by 3.3%, water supply by 1.8%, sewage collection by 1.3%, electricity by 5.6%, heat and hot water by 1.0%. The price growth continued also in 'alcoholic beverages and tobacco', where prices of spirits went up by 3.4%, beer by 4.5% and tobacco products by 3.9%. The impact on the price level increase had also prices in 'transport', where prices of fuels and lubricants for personal transport equipment rose by 10.1%, year-on-year. In 'miscellaneous goods and services', prices of personal care were higher by 4.0%, insurance by 5.7% and financial services by 4.3%. In 'hotels and restaurants', prices of catering services were higher by 3.7% and prices of accommodation services by 3.6%.

A reduction in the price level in November came from prices in 'food and non-alcoholic beverages', where prices of sugar fell by 33.3%. In 'clothing and footwear', prices of garments were lower by 2.5%. In 'housing, water, electricity, gas and other fuels', prices of natural gas decreased by 0.5%.

Prices of goods in total and services went up (1.2% and 3.3%, respectively). The overall consumer price index excluding imputed rentals for housing was 101.6%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to November 2018 compared with the average CPI in the previous twelve months, amounted to 2.2% in November.

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 2.2% in **October** (0.1 percentage point up on September). The rise in prices was the highest in Estonia (4.5%) and the lowest price increase was in Denmark (0.7%). In Slovakia, the price rise decelerated to 2.5% in October from 2.7% in September. In Germany, prices were higher by 2.4% (2.2% in September). According to preliminary calculations, the HICP in the Czech Republic in **November** went down by 0.3% **month-on-month** and rose by 1.6%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in November 2018** was 2.0%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

In November, in comparison with October, the overall consumer price level in **households of pensioners** went down by 0.3%. In 'food and non-alcoholic beverages', prices were lower by 1.3%. Prices of fruit, sugar, vegetables and coffee influenced the price rise in this division. In 'recreation and culture', the consumer price index dropped by 0.4%. The biggest influence on the price decrease in this division came from prices of package holidays. In 'furnishings, household equipment and routine household maintenance', prices declined by 0.4% as well. Prices of cleaning and maintenance products were lower in particular. On the other hand, the increase in prices by 0.8% occurred in 'clothing and footwear'. Prices of shoes and other footwear went up. In 'restaurants and hotels', prices rose by 0.4%. It was caused especially by higher prices of restaurants, cafés and dancing establishments.

In the capital city of Prague, the overall consumer price index (cost of living) went down by 0.1%, month-on-month (–0.1% in the Czech Republic as well). In 'food and non-alcoholic beverages', the consumer price index was lower by 1.3% (–1.2% in the Czech Republic). Prices of sugar, fruit and vegetables went down in this division. In 'miscellaneous goods and services', Prague registered a lower price level by 0.5% (–0.2% in the Czech Republic). Prices of personal care had primarily an influence. On the other hand, in 'clothing and footwear', the consumer price index went up by 0.9% (0.5% in the Czech Republic). Prices of shoes and other footwear were higher. In 'furnishings, household equipment and routine household maintenance', consumer prices increased by 0.7% (a drop by 0.4% in the Czech Republic). Prices of household furniture influenced the price rise in this division in particular.

¹⁾ Imputed rentals are excluded from the HICP.