

CONSUMER PRICE LEVEL REMAINED UNCHANGED

Consumer price indices – June 2014

Consumer prices in June remained unchanged compared with May (monthly change 0.0%). This development was due to the drop in prices in 'food and non-alcoholic beverages', which was offset by a rise in prices primarily in 'recreation and culture' and 'miscellaneous goods and services'. In the year-on-year comparison, consumer prices remained stable in June (a rise 0.4% in May). Consumer prices recorded 0.0% y-o-y growth in September 2009 for the last time.

The **month-on-month** decrease in consumer prices in 'food and non-alcoholic beverages' came from the fall in prices in many kinds of food. Prices of bread prices went down (-1.9%) as well as prices of rolls and baguettes (-1.7%), pasta (-3.3%), cheese (-2.3%), yoghurts (-6.1%), fruit (-0.9%), sugar (-2.0%), non-chocolate confectionery (-6.4%), tea (-1.2%). Prices of vegetables decreased (-1.8%), of which potato prices dropped as well (-10.0%). In 'alcoholic beverages and tobacco', prices of spirits and beer were lower (-1.4% and -1.0%, respectively).

A contrary effect on the overall consumer price level in June owed to a rise in prices in 'recreation and culture' due to the increase in seasonal prices of package holidays by 4.1%. In 'miscellaneous goods and services', prices of appliances, articles and products for personal care went up by 3.4%. In 'transport', fuel prices increased by 0.9%. In food, prices of flour were mainly higher than in May by 3.1%, rice by 3.4%, vegetable fats by 2.1%, non-alcoholic beverages by 0.7%.

Prices of goods in total dropped (-0.2%), while prices of services went up by 0.3%.

In terms of the **year-on-year** comparison, in June 2014, the consumer price level was the same as in June 2013 (annually change 0.0%), i.e. 0.4 percentage points down on May. This development came particularly from prices in 'food and non-alcoholic beverages', which moved from a growth of 2.5% in May to a decline (-1.1%) in June. It was due mainly to a drop in potato prices (-53.3%), fruit (-5.5%) and a slowdown in the year-on-year price growth of some kinds of food. The year-on-year rise slowed down primarily in prices of bread to 0.4% (1.3% in May), poultry to 2.3% (5.4% in May), milk to 10.5 (15.2% in May), cheese to 8.8% (10.7% in May), yoghurts to 9.9% (20.3% in May), butter to 4.7% (7.3% in May). Prices of rolls and baguettes dropped (-1.0%) in June (a growth of 0.8% in May).

The biggest effect on the y-o-y consumer price level came on the one hand from the drop in prices in 'housing, water, electricity, gas and other fuels' and 'food and non-alcoholic beverages' and on the other hand from the growth of prices primarily in 'alcoholic beverages and tobacco'. In 'housing, water, electricity, gas and other fuels', prices of electricity and natural gas were lower year-on-year (-10.5% and - 3.1%, respectively). Prices of the net actual rentals went up by 0.9%, water supply by 3.4%, sewage collection by 3.2%. The year-on-year decrease in prices continued in 'communication' due to the drop in prices of telephone and telefax services (- 2.8%). In 'alcoholic beverages and tobacco', the price growth was influenced by higher prices of tobacco products by 4.6%. In 'clothing and footwear', prices of clothing and footwear went up (1.3% and 7.7%, respectively). In 'transport', fuel prices increased by 1.4%.

Prices of goods in total dropped (-0.6%) and prices of services rose by 0.9%. The overall consumer price index excluding imputed rentals was 99.8%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to June 2014 compared with the average CPI in the previous twelve months, stood at 0.7% in June.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices (HICP)**¹⁾ in the **EU28 member states** was **0.6% in May**, i.e. 0.2 percentage points down on April. Prices increased the most in Austria and Luxemburg (1.5% and 1.4%, respectively). On the other hand, a year-on-year price decrease occurred in Greece (-2.1%) and Bulgaria (-1.8%). In Slovakia, prices were annually stable (0.0%) in May (-0.2% in April). In Germany, the price rise slowed down to 0.6% in May (1.1% in April). According to preliminary calculations, the HICP in the Czech Republic in **June 2014** was 0.0% (0.1% in May), **month-on-month**, and 0.0% (0.5% in May), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** in **June 2014** amounted to 0.5%, 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