

Drop in automotive fuel prices stopped

Consumer price indices – February 2009

The total consumer price level in February increased compared with January by 0.1 %. An upward effect on the consumer price level, month-on-month, came mainly from the price rise in 'transport'. The year-on-year consumer price growth decelerated to 2.0 % in February (from 2.2 % in January). It was the lowest year-on-year price growth since March 2007.

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The **month-on-month** consumer price increase by 0.1% owed to a price rise in automotive fuel prices, which increased, after a seven month price drop, by 5.6% in February, in which prices of petrol Natural 95 by 6.8 %. In 'recreation and culture', the growth of prices was due to a 3.1% price rise in package holidays as a result of higher seasonal prices of domestic recreational stays in the mountains and recreational stays in the mountains abroad. In 'miscellaneous goods and services', prices of financial services went up by 1.0 %. In food, the price growth was reported mainly for fruit and vegetables including potatoes (by 2.1 % and 3.0 %, respectively).

A downward effect on the consumer price level came from a price decrease in 'food and non-alcoholic beverages', in which prices of rolls and baguettes went down by 7.2 %, flour by 5.2 %, milk by 4.6 %, cheese by 2.9 % unsalted butter by 4.2 % and non-alcoholic beverages by 2.1 %. In 'health', household expenditures on regulated fees in health-care facilities established by local authorities fell due to a possibility of their reimbursement by regional administrative authority.

Prices of goods in total remained unchanged and prices of services were 0.3 % up.

In terms of the **year-on-year** comparison, in February, the increase in consumer prices was 2.0 %, i.e. 0.2 percentage point down on January. The biggest slowdown of price growth was primarily recorded for prices in 'housing, water, electricity, gas and other fuels', in which prices of water supply were higher by 9.2 % (by 13.4 % in January), sewerage collection by 8.9 % (by 14.2 % in January), heat and hot water by 8.1 % (by 9.2 % in January). In 'health', the price growth turned to a drop due to lower expenditures on regulated fees.

The year-on-year price growth came mainly from the development in 'housing, water, electricity, gas and other fuels', where prices of natural gas rose by 24.3 % and electricity by 11.6 %. Net actual rentals rose by 18.7 %, of which for dwellings with regulated rentals by 26.4 %, while for dwellings with market rentals by 4.9 %. Prices of tobacco products increased by 13.7 %.

A reversed effect on the consumer price level year-on-year came from prices in 'transport', in which prices of automotive fuel dropped by 19.3 % and prices of cars by 11.9 %. Compared with 2008, prices of food were lower due particularly to prices of fruit (-8.3 %), bread (-8.5%), rolls and baguettes (-13.2 %), flour (-10.0 %), eggs (-13.3 %), fresh milk (-13.0 %), cheese (-11.3 %) and unsalted butter (-23.4 %). A price drop continued in clothing (-1.8 %), devices and household appliances (-1.7 %) and audio-visual and photographic equipment and data-processing equipment (-13.3 %). In 'communications', prices of mobile phones decreased and so did prices of telephone and telefax services.

Prices of goods in total grew by 0.6 % and prices of services by 4.2 %. The overall consumer price index excluding imputed rentals was higher by 1.8 %, year-on-year.

Average inflation rate, i.e. **the increase in the average consumer price index in the twelve months to February 2009** compared with the average CPI in the previous twelve months, stood at 5.4 % in February, which is 0.5 percentage point down compared with January.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices (HICP)** in the **EU 27 member states** was 1.7 % in **January** (0.5 p.p. down on December). The highest annual rates were observed in Latvia (9.7 %) and Lithuania (9.5 %). The lowest rates were recorded in Luxemburg (0.0 %) and Portugal (0.1 %). In Germany, the growth of prices slowed down to 0.9 % in January (from 1.1 % in December), in Slovakia to 2.7 % (3.5 % in December).

According to preliminary calculations, the HICP in the **Czech Republic in February 2009** increased by 0.1 %, **month-on-month**, and decelerated to 1.3 % (1.4 % in January), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in February 2009** was 1.2 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

In February 2009, in comparison to January 2009, the total consumer price level remained unchanged in **households of pensioners**. It was recorded a higher consumer price index for 'transport' by 2.2 %. The increase was affected particularly by higher prices of automotive fuel and bicycles. Higher index was registered for 'miscellaneous goods and services' (by 0.9 %) due mainly to an increase in prices of social protection and financial services. In 'recreation and culture', the consumer price level rose by 0.6 %. An upward effect on the consumer price level came from the increase in prices of domestic recreational stays and recreational stays abroad and also flowers and flower products. On the other hand, a lower index was recorded for 'health' (-2.7 %) mainly as a result of lower household expenditures on regulated fees in health-care facilities established by local authorities due to a possibility of their reimbursement by regional administrative authority.

In the capital city of Prague, the overall consumer price index (cost of living) grew by 0.3 % month-on-month (0.1 % in the whole Czech Republic). The consumer price index for 'transport' increased by 1.3 % (1.7 % in the Czech Republic) due to higher prices of automotive fuel. Prague registered a higher index for 'recreation and culture' by 0.9 % (0.6 % in the Czech Republic) particularly due to higher seasonal prices of domestic recreational stays in the mountains and recreational stays in the mountains abroad. The consumer price index for 'miscellaneous goods and services' grew by 0.7 % (0.5 % in the Czech Republic), affected mainly by higher prices of social protection and financial services. On the other hand, a drop occurred in 'clothing and footwear' by -1.2 % (by -0.9 % in the Czech Republic) as a result of lower prices of children's and men's ready-made clothing.