

YEAR-ON-YEAR PRICE GROWTH ACCELERATED MODERATELY

Consumer price indices – inflation – February 2020

Consumer prices in February increased by 0.3% compared with January. This development came primarily from a price increase in 'recreation and culture'. The year-on-year growth of consumer prices amounted to 3.7% in February, which was 0.1 percentage points up on January.

Month-on-month comparison

The month-on-month rise in consumer prices in 'recreation and culture' came mainly from price increase of package holidays by 5.6%. In 'furnishings, household equipment and routine household maintenance' prices of household appliances were higher by 2.4%, furniture and furnishings by 1.2%, goods and services for routine household maintenance by 1.5%, in particular. In 'clothing and footwear', prices of garments were higher by 1.9%. In 'food and non-alcoholic beverages' prices of vegetables were especially higher by 3.3%, non-alcoholic beverages by 2.0%, fruit by 1.9% and dried, salted or smoked meat by 1.6%.

The decrease in the overall consumer price level in February came from lower prices in 'alcoholic beverages and tobacco', where prices of wine decreased by 6.4%, beer by 3.8% and spirits by 2.8%. In food, prices of UHT semi skimmed milk were mainly lower by 4.3%, eggs by 4.1% and butter by 3.3%.

Prices of goods in total remained unchanged compared with January and prices of services went up by 0.6%.

Year-on-year comparison

In February, the consumer prices rose by 3.7%, i.e. 0.1 percentage points up on January. The acceleration in the y-o-y price rise occurred in 'clothing and footwear', where prices of garments were higher by 4.8% (1.4% in January) and shoes and other footwear by 3.8% (1.5% in January). In 'furnishings, household equipment and routine household maintenance' prices of household appliances were mainly higher by 1.9% (0.1% in January) and prices of goods and services for routine household maintenance by 5.3% (2.9% in January). Slowdown in y-o-y price increase occurred in 'food and non-alcoholic beverages' in February. Prices of bread and cereals rose by 2.3% in February (4.0% in January), vegetables by 2.9% (7.1% in January), of which prices of potatoes were lower by 6.7%, year-on-year in February (rise by 5.1% in January).

The biggest influence on the growth of the y-o-y price level in February came from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing increased by 4.3%, water supply by 5.3%, sewage collection by 4.5%, electricity by 9.7% and natural gas by 0.4%. Next in order of influence were prices in 'food and non-alcoholic beverages', where prices of pork were higher by 17.6%, dried, salted or smoked meat by 14.4%, fruit by 19.3% and sugar by 15.3%. The impact on the price level increase had also prices in 'alcoholic beverages and tobacco', where prices of spirits went up by 7.0%, beer by 2.3%, tobacco and tobacco products by 2.7%. In 'transport' prices were higher by 5.7%. In 'restaurants and hotels', prices of catering services were higher by 5.6% and prices of accommodation services by 5.7%. In 'communication', prices of telephone and telefax services dropped by 3.9%.

Prices of goods in total and services went up (3.5% and 4.1%, respectively). The overall consumer price index excluding imputed rentals for housing was 103.7%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to February 2020 compared with the average CPI in the previous twelve months, amounted to 3.0% in February.

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 1.7% in **January** (0.1 percentage point up on December). The rise in prices was the highest in Hungary (4.7%) and the lowest in Italy (0.4%). In Slovakia, the prices were higher by 3.2% in January as in December. In Germany, prices were higher by 1.6% (1.5% in December). According to preliminary calculations, the HICP in the Czech Republic in February rose by 0.3% **month-on-month** and by 3.7%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in February 2020** was 1.2%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

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Starting from January 2020, the consumer price indices are counted on updated weights, which are determined on the base of household expenditure in 2018. These indices are chained at all levels of the consumer basket with the base period average of 2015 = 100. Thereby, a continuation of the existing index time series, from which indices to other bases are derived (previous month = 100, corresponding period of the previous year = 100 and annual rolling average, i.e. the average of index numbers over the last 12 months to the average for the previous 12 months) is ensured.

You can find the new consumer basket on CZSO web pages: [consumer basket](#).

¹⁾ Imputed rentals are excluded from the HICP.