

FUEL PRICES DECLINED CONSIDERABLY

Consumer price indices – inflation – April 2020

Consumer prices in April decreased by 0.2% compared with March. This development came primarily from a price decrease in 'transport'. The year-on-year growth of consumer prices amounted to 3.2% in April, which was 0.2 percentage points down on March.

Month-on-month comparison

The decrease in the overall consumer price level in April came mainly from prices in 'transport', where price drop of fuels continued for the third month and currently reached 10.5%. It was the highest month-on-month price decrease in measurement history in Czechia since 1993. The average price of petrol Natural 95 was CZK 26.37 per litre in April and average price of diesel oil was CZK 26.83 per litre. In 'alcoholic beverages and tobacco', prices of wine were lower by 3.5%, beer by 3.3% and spirits by 1.2%. In food, mainly prices in group milk, cheese and eggs were lower by 0.7% and in group oils and fats by 2.4%.

The increase in the overall consumer price level in April came from price rise in 'food and non-alcoholic beverages', where mainly prices of vegetables raised by 7.6%, fruit by 2.8% and bread and cereals by 1.0%. In 'furnishings, household equipment and routine household maintenance' mainly prices of goods and services for routine household maintenance increased by 2.6%.

Prices of goods in total went down by 0.3% and prices of services by 0.2%.

Year-on-year comparison

Consumer prices increased by 3.2% in April, i.e. 0.2 percentage points down on March. Biggest influence on this year-on-year development came from prices in 'transport'. Mainly deeper price decrease of fuels and lubricants occurred here. Their prices were lower by 16.7% in April (–3.3% in March). On the contrary, year-on-year price growth in 'food and non-alcoholic beverages' accelerated. Mainly prices of fruit were higher by 24.7% (16.2% in March) and prices of vegetables by 11.8% (6.4% in March). In 'furnishings, household equipment and routine household maintenance', prices of goods and services for routine household maintenance increased by 6.3% (2.7% in March).

The biggest influence on the growth of the year-on-year price level in April came from prices in 'food and non-alcoholic beverages', where prices of flour went up by 16.6%, pork by 18.9%, sausages and smoked meat by 13.8% and sugar by 16.2%. Second in order of influence were prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing were higher by 4.3%, water supply by 5.3%, sewage collection by 4.5%, electricity by 8.6% and natural gas by 0.4%. The impact on the price level increase came also from prices in 'alcoholic beverages and tobacco', where prices of spirits increased by 10.2%, wine by 1.3%, beer by 4.0% and tobacco products by 3.2%. A reduction in the overall price level came from prices in 'transport' (decrease by 3.8%) and in 'communication' mainly due to prices of telephone and telefax services which were lower by 5.0%.

Prices of goods in total and services went up (3.0% and 3.3%, respectively). The overall consumer price index excluding imputed rentals for housing was 103.3%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to April 2020 compared with the average CPI in the previous twelve months, amounted to 3.1%.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices (HICP)**¹⁾ in the **EU27 member states** amounted to 1.1% in **March** (0.5 percentage point

¹⁾ Imputed rentals are excluded from the HICP.

down on February). The rise in prices was the highest in Hungary and Poland (both 3.9%) and the lowest price increase was in Italy, Cyprus, Portugal and Spain (identically 0.1%). In Slovakia, price growth in March slowed down to 2.4% from 3.1% in February. In Germany, prices increased by 1.3% (1.7% in February). According to preliminary calculations, the change in the HICP in the Czech Republic **in April** amounted to 0.2% **month-on-month**, and 3.3% **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in April 2020** amounted to 0.4%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

In April, in comparison with March, the overall consumer price level in **households of pensioners** went down by 0.1%. This development was influenced mainly by prices in 'transport', which decreased by 2.9%. Prices of fuels were lower in this division. Prices in 'alcoholic beverages, tobacco' went down by 1.4%. Prices of beer, wine and spirits decreased. Price rise by 1.0% in 'food and non-alcoholic beverages' had the opposite effect on the change in the price level. Prices of vegetables, fruit and bread and cereals increased in this division, in particular.

In the capital city of Prague, consumer prices in total went down by 0.3%, month-on-month (–0.2% in the Czech Republic). This development was mainly influenced by a price drop in 'transport' by 2.3% (–2.6% in the Czech Republic) due to price decrease of fuels. Prices in 'alcoholic beverages, tobacco' were lower by 1.6% (–1.1% in the Czech Republic). Prices of wine, beer and spirits went down in this division. On the other hand, prices in Prague increased by 0.5% in 'food and non-alcoholic beverages' (0.6% in the Czech Republic). Prices of vegetables, bread and cereals and prices of fruit went up, in particular.

[Methodological note to consumer price index in April 2020 \(COVID-19\)](#)