

Consumer price level remained unchanged month-on-month

Consumer price indices – February 2010

The total consumer price level in February remained unchanged compared with January (index 100.0 % month-on-month). This development came primarily from a price rise in 'food and non-alcoholic beverages' and 'recreation and culture', which was offset by falling prices in 'transport' and 'clothing and footwear'. In February the growth of consumer prices slowed down moderately to 0.6 %, y-o-y, (from 0.7 % in January).

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The **month-on-month** consumer price development was influenced by a price rise in 'food and non-alcoholic beverages' due mainly to an increase in prices of vegetables incl. potatoes by 6.3 %, bread and cereals by 1.5 %, sugar by 2.6 %. In 'recreation and culture', the growth of prices came from a 2.6 % 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 'housing, water, electricity, gas and other fuels', the net actual rentals went up by 0.4 %, of which for dwellings with regulated rentals by 1.5 %, while for dwellings with market rentals a 0.9 % drop was registered. In 'health', amounts paid by patients for drugs were 0.9 % up. Prices of automotive fuel were higher by 0.4 %.

A downward effect on the price level came from a price drop in 'transport' due to lower prices of cars by 2.8 %. Prices of clothing and footwear decreased both by 0.7 %. In food, prices of fruit were lower by 3.1 %, pork by 1.2 %, cheese by 1.4 % and butter by 1.5 %.

Prices of goods in total decreased by 0.1 % and prices of services rose by 0.3 %.

In terms of the **year-on-year** comparison, in February 2010, the increase in consumer prices slowed down to 0.6 % (from 0.7 % in January). A slowdown of the price growth came particularly from price development in 'transport', in which a marked rise in prices of automotive fuel slowed down to 21.8 % in February from 28.1 % in January. Higher year-on-year growth of prices of automotive fuel compared to January and February 2010 were last recorded in July and September 2000.

A growth of the price level was further most influenced by prices in 'transport', 'housing, water, electricity, gas and other fuels' and 'alcoholic beverages, tobacco'. In 'housing, water, electricity, gas and other fuels', the net actual rentals went up by 11.7 %, of which for dwellings with regulated rentals by 19.7 % and for dwellings with market rentals by 1.8 %. Prices of water supply were higher by 4.1 % and sewerage collection by 4.6 %. In 'alcoholic beverages, tobacco', prices of alcoholic beverages went up by 5.4 % and prices of cigarettes by 2.7 %. Prices in 'restaurants and hotels' rose (2.4 % and 2.8 %, respectively).

The reduction of price level came, as before, (yet with smaller intensity) from 'food and non-alcoholic beverages', in which prices of bread were lower by 10.5 %, rolls and baguettes by 24.9 %, flour by 20.1 %, edible oils by 10.0 %, fruit by 6.1 % and sugar by 8.6 %. In 'clothing and footwear', prices of clothing were lower by 3.7 %. In 'housing, water, electricity, gas and other fuels', prices of natural gas and electricity went down (-12.3 % and -2.7 %, respectively). In 'recreation and culture', a decrease in prices of audiovisual and photographic equipment and data-processing equipment continued (-7.5 %). Prices of mobile phones decreased and so did prices of telephone and telefax services due to discounts provided by mobile operators (-12.4 % and -2.7 %, respectively).

Prices of goods in total dropped by 0.5 %, while prices of services were higher by 2.4 %. The overall consumer price index excluding imputed rentals was 100.4 %, year-on-year.

Average inflation rate, i.e. the increase in the average consumer price index in the twelve months to February 2010 compared with the average CPI in the previous twelve months, stood at 0.8 % in February, which is 0.1 percentage point down compared with January 2010.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP) in the **EU27 member states** was 1.7 % in **January 2010** (0.2 percentage point up on December 2009). The highest annual rates were observed in Hungary (6.2 %) and Romania (5.2 %). A year-on-year drop was recorded for five EU member states. The biggest decrease was reported for Latvia (-3.3 %). In Germany, prices grew by 0.8 % (the same as in December). In Slovakia, the price drop was 0.2 % in January after two months of stagnation. According to preliminary calculations, the HICP in the **Czech Republic in February** increased by 0.1 %, **month-on-month**, and by 0.4 % (the same as in January), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in February 2010** was 0.9 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).