

Overall level of consumer prices unchanged

Consumer price indices – June 2010

The total consumer price level in June remained unchanged compared with May (index 100.0 % month-on-month). This development came primarily from a price rise in 'recreation and culture', which was offset by falling prices in 'clothing and footwear' and 'alcoholic beverages, tobacco'. The year-on-year rise in consumer prices amounted to 1.2 % in June (the same as in May).

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The **month-on-month** consumer price development was influenced primarily by a price growth of seasonal prices of package holidays by 3.5 %. In 'food and non-alcoholic beverages', the rise in prices came from higher prices of potatoes by 57.7 % because market offer switched from old to new potatoes. Prices of pasta were higher by 3.1 %, yoghurts by 1.2 % and butter by 2.4 %. In 'transport', the increase in prices of automotive fuel continued for the sixth month, which amounted only to 0.4 % in June.

A downward effect on the price level came from a price drop in clothing and footwear (-0.8 % and -1.5 %, respectively). Prices of alcoholic beverages dropped by 1.5 %, of which prices of bottled beer by 2.7 %. In food, prices of stone fruit and berry plants decreased by 11.3 % and vegetables grown for fruit by 16.9 %.

Prices of goods in total dropped by 0.2 % and prices of services rose by 0.3 %.

In terms of the **year-on-year** comparison, in June 2010, the increase in consumer prices was 1.2 %. In 'food and non-alcoholic beverages' the y-o-y drop in prices stopped after eighteen months. This change was influenced primarily by higher prices of vegetables including potatoes by 18.6 %, oils and fats by 2.2 % and milk, cheese and eggs by 1.4 %. A slowdown in the price growth was shown in 'transport', in which the rise in prices of automotive fuel slowed down from 20.5 % to 14.4 % due to a marked increase in their prices in June 2009.

The highest upward effect on the price level came from prices in '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 10.1 %, of which for dwellings with regulated rentals rose by 18.7 % and for dwellings with market rentals dropped by 0.5 %. Prices of alcoholic beverages were higher by 3.6 % and tobacco products by 4.7 %.

The reduction of price level came from prices in clothing by 3.2 % and footwear by 0.9 %. In 'communications', prices of mobile phones decreased and so did prices of telephone and telefax services (-13.1 % and -2.4 %, respectively). In food, prices of rolls and baguettes, flour and edible oils remained lower (-10.6 %, -12.3 % and -5.2 %, respectively). However, their drop slowed down. In 'housing, water, electricity, gas and other fuels', prices of natural gas went down by 6.5 % and electricity by 2.7 %. In 'recreation and culture', prices of audio-visual, photographic and information processing equipment were lower by 9.0 %.

Prices of goods in total increased by 0.4 % and prices of services by 2.3 %. The overall consumer price index excluding imputed rentals was 101.1 %, year-on-year.

Average inflation rate, i.e. the increase in the average consumer price index in the twelve months to June 2010 compared with the average CPI in the previous twelve months, stood at 0.6 % in June, which is the same compared with the previous two months.

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 2.0 % in **May 2010** (0.1 percentage point down on April). The highest annual rates were observed in Greece (5.3 %) and Hungary (4.9 %). The year-on-year decrease continued in Latvia (-2.4 %) and Ireland (-1.9 %). In Germany, the y-o-y growth accelerated to 1.2 % (from 1.0 % in April). In Slovakia, the price rise was the same as in April (0.7 %). According to preliminary calculations, the HICP in the **Czech Republic in June** increased by 0.0 %, **month-on-month**, and by 1.0 % (the same as in May), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in June 2010** was 1.4 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).