

# Common month-on-month drop in price level in September

## Consumer price indices – September 2010

The total consumer price level in September decreased compared with August by 0.3 %. This development came primarily from a drop in prices of seasonal recreation stays in 'recreation and culture'. The year-on-year rise in consumer prices accelerated moderately to 2.0 % in September (from 1.9 % in August).

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The **month-on-month** consumer price drop by 0.3 % owed primarily to a fall in prices of package holidays by 14.7 % (similarly as in the previous years) due to the end of summer season. In 'transport', prices of automotive fuel dropped by 1.0 % and prices of cars by 0.5 %. In food, prices of rolls and baguettes decreased primarily by 4.0 %, stone fruit and berry plants by 15.1 %, sugar by 3.6 %.

A contrary effect on the price level came from a price rise in clothing and footwear (1.5 % and 2.3 %, respectively) due to higher prices of new seasonal models. As the new school year started, fees in kindergartens increased particularly by 4.5 %, at private primary schools by 2.4 %, in after-school care centres by 4.6 % and for in-service courses by 4.4 %. In 'miscellaneous goods and services', prices of financial services rose by 3.8 %. In food, prices of flour increased primarily by 8.2 %, butter by 4.0 % and vegetables cultivated for their fruit by 7.8 %.

Prices of goods in total remained unchanged, m-o-m, while prices of services dropped by 0.8 %.

In terms of the **year-on-year** comparison, in September, the increase in consumer prices was 2.0 %, i.e. 0.1 percentage point up on August. An acceleration of y-o-y price growth was recorded particularly for 'miscellaneous goods and services', in which prices of financial services went up by 4.0 % (from 0.2 % in August). A moderate acceleration of price rise was registered also in 'food and non-alcoholic beverages'. Prices of butter were higher by 24.9 % (from 19.6 % in August), potatoes by 58.6 % (from 53.2 % in August) and in the group milk, cheese and eggs by 6.3 % (from 5.2 % in August).

The highest upward effect on the price level came from prices in 'food and non-alcoholic beverages', '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 9.0 %, of which for dwellings with regulated rentals rose by 17.1 % and for dwellings with market rentals dropped by 0.8 %. Prices of natural gas were higher by 3.9 %, heat and hot water by 3.5 %, water supply by 3.8 %, sewerage collection by 4.9 %. Prices of alcoholic beverages rose by 5.1 %, identical to prices of tobacco products. Despite the m-o-m drop, prices of automotive fuel were higher by 11.8 %, y-o-y.

Prices of clothing and footwear were lower than in the previous year (-2.8 % and -1.2 %, respectively). In 'communications', prices of mobile phones decreased and so did prices of telephone and telefax services (-10.8 % and -1.2 %, respectively). In 'recreation and culture', prices of audio-visual, photographic and information processing equipment were lower by 7.9 %. In 'housing, water, electricity, gas and other fuels', prices of electricity went down by 2.7 %. In 'transport', prices of cars decreased by 12.6 %.

Prices of goods in total increased by 1.7 % and prices of services by 2.2 %. The overall consumer price index excluding imputed rentals was 102.0 %, year-on-year.

**Average inflation rate**, i.e. the increase in the average consumer price index in the twelve months to September 2010 compared with the average CPI in the previous twelve months, stood at 1.1 % in September, which is 0.2 percentage point up compared with August.

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 **August 2010** (0.1 percentage point down on July). The highest annual rates were observed in Romania (7.6 %) and Greece (5.6 %). The year-on-year decrease continued in Ireland (-1.2 %) and Latvia (-0.4 %). In Germany, the y-o-y growth decelerated to 1.0 % (from 1.2 % in July). In Slovakia, the price rise accelerated moderately to 1.1 % in August (from 1.0 % in July). According to preliminary calculations, the HICP in the **Czech Republic in September** decreased by 0.2 %, **month-on-month**, and rose by 1.8 % (1.5 % in August), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in September 2010** was 1.8 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).