

Fresh vegetable prices dropped markedly

Consumer price indices – June 2011

Consumer prices decreased in June by 0.2 %, month-on-month. This drop came primarily from a price decrease in 'food and non-alcoholic beverages'. The increase in consumer prices slowed down to 1.8 %, year-on-year, (2.0 % in May).

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The **month-on-month** consumer price decrease by 0.2 % owed particularly to prices of vegetables by 14.9 %, in which prices of tomatoes fell by 37.4 %, salad cucumber by 34.6 %, green peppers by 41.1 %, cabbage by 24.4 % and cauliflower by 32.1 %. Atypical development was recorded for prices of potatoes, which significantly increased in the previous years in June due to the change in consumption from old to new potatoes, while this year prices decreased by 13.5%, m-o-month. Prices of fruit decreased by 4.9%, in which prices of peach and red watermelons dropped the most (-39.5 % and -35.0 %, respectively). In 'clothing and footwear', prices of clothes went down by 1.4 % and footwear by 1.6 %. In 'alcoholic beverages, tobacco', prices of spirits, wine and beer were lower (-1.4 %, -1.2 % and -2.0 %, respectively). Automotive fuel prices decreased by 0.8 % in June after an increase recorded for the three-month period.

The rise in the price level was influenced primarily by a growth of natural gas prices by 7.7 %. The net actual rentals increased by 0.1 %, of which for dwellings with regulated rentals rose by 0.8 % and for dwellings with market rentals went down by 0.3 %. In 'recreation and culture', seasonal prices of package holidays went up by 2.8 %. In food, prices of bread increased mainly by 1.1 %, sugar by 3.1 %, coffee by 8.4 %, mineral or spring waters by 3.7 %.

Prices of goods in total dropped by 0.4 % and prices of services rose by 0.2 %.

In terms of the **year-on-year** comparison, in June, the increase in consumer prices was 1.8 %, i.e. 0.2 percentage points down on May. A deceleration of the year-on-year price growth was mainly shown in 'food and non-alcoholic beverages' in which prices of vegetables turned from a growth by 6.2 % in May to a drop (-12.3 %) in June. Prices of vegetables cultivated for their fruit decreased by 36.5 % (- 14.5 % in May). Potato prices were lower year-on-year by 15.6 % in June, while these prices were higher than in the previous year by 53.9 % in May. The reason was quite different m-o-m development in potato prices in June 2011 and June 2010. A slight slowdown in the price growth in 'transport' was primarily due to automotive fuel prices, whose rise slowed down to 7.9 % (from 9.3 % in May).

Prices of 'food and non-alcoholic beverages' kept the biggest influence on the y-o-y growth of the overall consumer price level in June, but this growth weakened due to prices of vegetables. Prices of rolls and baguettes increased by 34.6 %, bread by 20.7 %, flour by 38.7 %, milk by 16.1 %, butter by 19.2 %, cooking oils by 25.0 %, sugar by 28.7 %. The second highest upward effect on the total growth of the consumer price level, which became stronger in June due to higher prices of natural gas by 13.9 % (from 5.8 % in May), came from prices in 'housing, water, electricity, gas and other fuels'. Prices of electricity were higher by 4.8 %, water supply by 6.2 %, sewerage collection by 5.8 %, heat and hot water by 1.7 %. The net actual rentals increased by 2.5 %, of which for dwellings with regulated rentals rose by 6.7 % and for dwellings with market rentals by 0.7 %. In 'alcoholic beverages, tobacco', prices of spirits were higher by 3.1 %, wine by 5.0 % and tobacco products by 3.4 %.

Prices in 'clothing and footwear' continued to be lower than in the previous year due to a drop in prices of clothing by 3.7 %. The year-on-year drop in prices of household appliances (-4.4 %), goods and services for routine household maintenance (-2.0 %), audio-visual, photographic and information processing equipment (-11.3 %) and prices of mobile phones (-11.0 %) continued. In food, prices of rice decreased particularly by 3.7 %, eggs by 11.9 %, citrus fruit by 14.0 %, bananas by 22.7 %, stone fruit and berries by 5.1 %.

Prices of goods in total increased by 2.4 % and prices of services by 1.0 %. 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 June 2011 compared with the average CPI in the previous twelve months, stood at 1.9 % in June.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP) in the **EU 27 member states** was 3.2 % in **May 2011** (0.1 percentage point down on April). The highest annual rates were observed in Romania (8.5 %) and Estonia (5.5 %). In Germany, the y-o-y growth decelerated to 2.4 % (2.7 % in April). In Slovakia, the increase in the HICP accelerated to 4.2 % (3.9 % in April). According to preliminary calculations, the HICP in the **Czech Republic in June 2011** decreased by 0.1 %, **month-on-month**, and slowed down to 1.9 % (2.0 % in May), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in June 2011** was 2.7 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).