

# PRICES OF AUTOMOTIVE FUEL CONTINUED TO GROW

## Consumer price indices – September 2012

Consumer prices in September decreased by 0.1% compared with August. This development came primarily from a price reduction in 'recreation and culture', which was partially eliminated due to the increase in prices in 'transport' and 'clothing and footwear'. The rise in consumer prices accelerated to 3.4%, year-on-year (3.3% in August).

The **month-on-month** decline in consumer prices in 'recreation and culture' came similarly to previous years mainly from the drop in prices of package holidays by 13.2% due to the end of summer season. In 'communications', prices of mobile phones and prices of telephone and telefax services decreased (-1.3% and -0.5%, respectively). In food, prices of eggs and cheese went primarily down, both by 1.3%, yoghurts by 1.5% and butter by 5.6%.

A contrary effect on the price level owed mainly to a growth of prices in 'transport', where automotive fuel prices rose by 2.6%, month-on-month. The average m-o-m prices of petrol Natural 95 (38.23 CZK per litre) and diesel oil (37.20 CZK per litre) reached maximum in their history in September. The rise in the price level was influenced also by an increase in prices of clothing and footwear (2.2% and 2.7%, respectively). In 'food and non-alcoholic beverages', prices of meat went mainly up by 1.9%, of which prices of pork by 4.1%. Prices of flour and fruit rose (3.0% and 0.6%, respectively). As the new school year started, fees in kindergartens increased by 2.4%, in after school care centres by 5.1%, in art schools (base level) by 1.8% and in foreign language teaching by 2.0%. Similarly, in 'restaurants and hotels', prices of meals in school canteens and prices of accommodation in boarding schools went up (1.6% and 1.0%, respectively).

Prices of goods in total rose by 0.4% and prices of services dropped by 0.7%.

In terms of the **year-on-year** comparison, in August, the increase in consumer prices was 3.4%, i.e. 0.1 percentage points up on August. An acceleration of the price growth came primarily from prices in 'transport' due to the rise in prices of automotive fuel by 9.6% (6.5% in August).

The biggest upward effect on the y-o-y consumer price level in September came, as before, from prices in 'housing, water, electricity, gas and other fuels' and prices in 'food and non-alcoholic beverages'. In 'housing, water, electricity, gas and other fuels', prices of natural gas were higher by 14.0%, electricity by 4.2%, water supply by 12.0%, sewerage collection by 10.5%, heat and hot water by 8.6%. The net actual rentals went up by 4.5%, of which for dwellings with regulated rentals rose by 10.9% and for dwellings with market rentals by 1.6%. In food, prices of meat increased by 9.8%, of which prices of pork by 13.9% and beef by 12.9%. Prices of eggs rose by 45.7%, yoghurts by 12.5%, fruit by 14.1%, vegetables by 13.9%, cocoa by 16.0%.

The reduction of the y-o-y growth came from prices in 'clothing and footwear', where prices of clothing and footwear went down (-4.5% and -3.3%, respectively). The decrease in prices in 'furnishings, household equipment and routine maintenance of the house' was influenced primarily by lower prices of household appliances (-5.6%), tools and equipment for house and garden (-5.9%). In 'communications', prices of mobile phones dropped (-9.4%).

Prices of goods in total and services rose (3.8% and 3.0%, respectively). The overall consumer price index excluding imputed rentals was 103.6%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to September 2012 compared with the average CPI in the previous twelve months, stood at 3.2% in September.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices (HICP)**<sup>1)</sup> in the **EU27 member states** was 2.7% in **August**, i.e. 0.2 percentage points up on July. The highest annual rate was observed in Hungary (6.0%) and the lowest in Sweden (0.9%). In Germany, the price rise accelerated to 2.2% (1.9% in July). In Slovakia, the price increase amounted to 3.8% (the same as in July). According to preliminary calculations, the HICP in the Czech Republic in **September 2012** decreased by 0.1%, **month-on-month**, and rose by 3.5% (3.4% in August), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in September 2012** was 2.7%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

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<sup>1)</sup> So far, imputed rentals have been excluded from the HICP