

CONSUMER PRICES INCREASED MODERATELY MONTH-ON-MONTH

Consumer price indices – October 2012

Consumer prices in October increased by 0.2% compared with September after declining in each of the three previous months. This development came primarily from a price increase in 'food and non-alcoholic beverages', 'alcoholic beverages, tobacco', 'clothing and footwear'. The year-on-year rise in consumer prices amounted to 3.4% in October (the same as in September).

The **month-on-month** increase in consumer prices in 'food and non-alcoholic beverages' came from the rise in prices of meat by 1.2%, eggs by 3.4%, milk by 3.5%, butter by 9.0%, fruit by 3.0%, non-alcoholic beverages by 1.7%. Prices of alcoholic beverages went up by 3.1%, of which beer prices by 4.8%. In 'clothing and footwear', prices of clothing and footwear increased (2.3% and 4.6%, respectively).

A contrary effect on the price level owed mainly to a decrease in prices in 'transport', where automotive fuel prices dropped (-1.1%) in October, month-on-month, after two months of the growth. In 'communications', prices of mobile phones and prices of telephone and telefax services declined (-1.3% and -0.6%, respectively). The drop in prices in 'health' came from lower prices of drugs and fees paid by patients on prescription drugs by 0.5% and seasonal prices of therapeutic stays at a spa by 5.5%. In food, prices of yoghurts went primarily down by 3.6%, potatoes by 6.3%, sugar by 1.4%.

Prices of goods in total rose by 0.6% and prices of services dropped by 0.2%.

In terms of the **year-on-year** comparison, in October, the increase in consumer prices was 3.4% (the same as in September). An acceleration of the price growth was shown primarily in 'alcoholic beverages, tobacco', where prices of alcoholic beverages were higher by 4.4% (1.2% in September). On the other hand, a slowdown in the year-on-year rise was recorded in 'transport' due to the reduction in the growth of automotive fuel prices to 7.8% from 9.6% in September.

A dominant upward effect on the y-o-y consumer price level in October 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 13.2%, electricity by 4.4%, water supply by 12.0%, sewerage collection by 10.5%, heat and hot water by 8.7%. The net actual rentals went up by 4.3%, of which for dwellings with regulated rentals rose by 10.7% and for dwellings with market rentals by 1.5%. In food, prices of meat increased by 10.3%, of which prices of pork by 15.8% and beef by 12.5%. Prices of eggs rose by 40.0%, yoghurts by 8.2%, fruit by 9.0%, vegetables by 16.1%, cocoa by 10.3%.

The reduction of the y-o-y growth came from prices in 'clothing and footwear', where prices of clothing and footwear went down (-4.1% and -1.5%, respectively). The decrease in prices in 'furnishings, household equipment and routine maintenance of the house' was influenced primarily by lower prices of household appliances (-5.1%). In 'communications', prices of mobile phones dropped (-9.5%).

Prices of goods in total and services rose (3.7% and 2.8%, 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 October 2012 compared with the average CPI in the previous twelve months, stood at 3.3% in October.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP)¹⁾ in the **EU27 member states** was 2.7% in **September**, i.e. the same as in August. The highest annual rate was observed in Hungary (6.4%) and the lowest in Greece (0.3%). In Germany, the price rise slowed down to 2.1% (2.2% in August). In Slovakia, the price increase amounted to 3.8% (the same as in July and August). According to preliminary calculations, the HICP in the Czech Republic in **October 2012** increased by 0.3%, **month-on-month**, and rose by 3.6% (3.5% in September), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** in **October 2012** was 2.5%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

¹⁾ So far, imputed rentals have been excluded from the HICP