

# YEAR-ON-YEAR INFLATION SLOWED DOWN

## Consumer price indices – November 2012

**Consumer prices in November decreased by 0.2% compared with October. This development came primarily from a price drop in 'transport', 'communications', 'recreation and culture'. The year-on-year rise in consumer prices slowed down to 2.7% in November (3.4% in October).**

The **month-on-month** decrease in consumer prices in 'transport' came from the fall in prices of automotive fuel, which continued for the second month and amounted 3.7% in November. In 'communications', prices of telephone and telefax services dropped by 2.6% due to discounts on sales mobile operators. In 'recreation and culture', a drop in prices came primarily from the reduction in prices of package holidays by 3.9%. Prices of alcoholic beverages went down by 0.9%, of which prices of spirit by 2.7% and wine by 1.2%. In 'restaurants and hotels', prices of accommodation services dropped by 1.5%.

A contrary effect on the price level owed mainly to an increase in prices in 'food and non-alcoholic beverages', where prices of vegetables rose by 3.7%, bread and cereals by 1.3%, meat by 0.6%, cheese by 1.3%, butter by 3.3%. In 'furnishings, household equipment and maintenance of the house', prices of household textiles went up by 1.6% and prices of tools and equipment for house and garden by 5.0%. In 'health', amounts paid by patients for drugs were 0.7% up. In 'miscellaneous goods and services', the moderate growth of prices came from higher prices of personal care by 0.5%.

Prices of goods in total and prices of services dropped (-0.1% and -0.4%, respectively).

In terms of the **year-on-year** comparison, in November, the increase in consumer prices was 2.7% (0.7 percentage points down on October). A deceleration of the price growth, although in a different extent, was shown in most of the divisions of the consumer basket. The reason was particularly a marked month-on-month growth by 0.4% in November 2011. This resulted in 'food and non-alcoholic beverages', where the y-o-y rise in prices of milk slowed down to 0.5% (2.4% in October), yoghurts to 4.2% (8.2% in October), fruit to 4.9% (9.0% in October), vegetables to 11.8% (16.1% in October), coffee to 8.1% (10.2% in October). Sugar prices moved from a growth of 1.4% in October to a drop (-3.6% in November). In 'housing, water, electricity, gas and other fuels', the y-o-y increase in prices of natural gas slowed down to 7.7% (13.2% in October) due to a natural gas prices rise since November 2011. A slowdown in the price increase in 'transport' was primarily due to prices of automotive fuel, which were higher, y-o-y, by 3.1% (7.8% in October). Similarly, in 'alcoholic beverages, tobacco', the rise in prices of spirit slowed down to 0.4% (4.0% in October). In 'communications', the decrease in prices of telephone and telefax services deepened to -5.2% (-3.0% in October).

A decisive upward effect on the y-o-y consumer price level in November came, as before, from prices in 'housing, water, electricity, gas and other fuels' and prices in 'food and non-alcoholic beverages', despite a slowdown in their growth. In 'housing, water, electricity, gas and other fuels', prices of natural gas were higher by 7.7%, electricity by 4.2%, water supply by 12.0%, sewerage collection by 10.7%, heat and hot water by 8.4%. The net actual rentals went up by 4.1%, of which for dwellings with regulated rentals rose by 9.8% and for dwellings with market rentals by 1.5%. In food, similarly as in October, prices of meat increased by 10.2%, of which prices of pork by 16.2% and beef by 11.9%. Prices of eggs rose by 38.3%.

The reduction of the y-o-y growth came from prices in 'clothing and footwear', where prices of both clothing and footwear went down (-4.4% and -1.6%, respectively). The decrease in prices in 'furnishings, household equipment and routine maintenance of the house' was influenced primarily by lower prices of household appliances (-4.7%).

Prices of goods in total and services rose (2.9% and 2.6%, respectively). The overall consumer price index excluding imputed rentals was 102.9%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to November 2012 compared with the average CPI in the previous twelve months, stood at 3.3% in November.

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 2.6% in **October**, i.e. 0.1 percentage point down on September. The highest annual rate was observed in Hungary (6.0%) and the lowest in Greece (0.9%). In Germany, the price rise amounted to 2.1% (the same as in September). In Slovakia, the price increase accelerated to 3.9% (3.8% in September). According to preliminary calculations, the HICP in the Czech Republic in **November 2012** decreased by 0.3%, **month-on-month**, and rose by 2.8% (3.6% in October), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in November 2012** was 2.2%, 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