

AVERAGE INFLATION RATE AMOUNTED TO 1.4% IN 2013

Consumer price indices – December 2013

Consumer prices in December rose by 0.4% compared with November. This increase came primarily from a price rise in 'food and non-alcoholic beverages' and 'transport'. The year-on-year growth of consumer prices accelerated to 1.4% in December (1.1% in November). The same value, i.e. 1.4% reached also the average inflation rate in 2013 and was the lowest since 2009.

The **month-on-month** increase in 'food and non-alcoholic beverages' came particularly from the rise in prices of vegetables and fruit (13.7% and 10.6%, respectively). The growth of milk prices continued by 3.6%, cheese by 2.2%, yoghurts by 3.2%, eggs by 2.5%. In 'transport', fuel prices rose by 1.4%.

A contrary effect on the overall consumer price level owed to a drop in prices in 'clothing and footwear', where prices of clothing and footwear were lower (-0.4% and -0.9%, respectively). In 'furnishings, household equipment and routine household maintenance', prices of household textiles dropped as well as prices of cleaning and maintenance products (-0.8% and -0.9%, respectively). In 'housing, water, electricity, gas and other fuels', prices of electricity decreased (-0.6%). In food, prices of non-alcoholic beverages went primarily down (-1.9%).

Prices of goods in total and prices of services rose (0.6% and 0.1%, respectively).

In terms of the **year-on-year** comparison, in December, the increase in consumer prices was 1.4%, i.e. 0.3 percentage points up compared with November. An acceleration of the price rise was shown primarily in 'transport', where fuel prices increased by 2.6% (-1.2% in November). In 'food and non-alcoholic beverages', the growth of prices of vegetables accelerated to 22.4% (13.6% in November), milk to 17.1% (14.7% in November), cheese to 12.0% (9.9% in November), yoghurts to 13.1% (10.2% in November), butter to 14.9% (11.2% in November), edible oils to 3.6% (1.0% in November). Prices of eggs were lower by 11.4% (-17.5% in November). In 'clothing and footwear', prices of footwear went up by 8.6% (8.1% in November). In 'miscellaneous goods and services', prices of personal care rose by 0.5% (-0.9% in November).

The biggest upward effect on the y-o-y consumer price level, which was even strengthened in December, came from prices in 'food and non-alcoholic beverages'. Another more significant impact on the overall level of consumer prices came from prices in '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 1.4%, water supply by 6.6%, sewage collection by 6.9%, prices of electricity by 2.7%, heat and hot water by 3.8%. Prices of natural gas were lower, year-on-year (-7.0%). In 'alcoholic beverages, tobacco', prices of wine increased by 4.6% and tobacco products by 5.0%.

The reduction of the y-o-y price growth came from the decrease in prices in 'communication', where prices of telephone and telefax services and prices of mobile phones were lower (-9.0% and -18.2%, respectively). The decrease in prices in 'furnishings, household equipment and routine household maintenance' was influenced primarily by lower prices of household appliances (-3.7%).

Prices of goods in total and prices of services increased (1.8% and 1.1%, respectively). The overall consumer price index excluding imputed rentals was 101.5%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to December 2013 compared with the average CPI in the previous twelve months, stood at 1.4% in December, which is by 1.9% percentage points less on 2012.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices (HICP)**¹⁾ in the **EU28 member states** was 1.0% in **November**, i.e. 0.1 percentage point up on October. Prices grew most in United Kingdom (2.1%) and Estonia (2.1% as well). On the other hand, a year-on-year price decrease occurred in Greece (-2.9%), Bulgaria (-1.0%), Cyprus (-0.8%) and Latvia (-0.3%) in November. In Germany, the price rise accelerated to 1.6% (1.2% in October). In Slovakia, the price increase slowed down further to 0.5% in November (0.7% in October). According to preliminary calculations, the HICP in the Czech Republic in **December 2013** rose by 0.5%, **month-on-month**, and by 1.5% (1.0% in November), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in December 2013** amounted to 0.8%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

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Starting from January 2014, the consumer price indices will be calculated with updated weights, which are derived from the household expenditures in 2012. The new calculated indices will be chained at all levels of the consumer basket with the original base period 2005 = 100. Thereby, a continuation of the existing index time series 2005 = 100, from which indices to other bases will be derived (previous moth = 100, corresponding period of last year = 100 and annual rolling average, i.e. the average of index numbers over the last 12 months to the average for the previous 12 months) will be ensured.

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