

CONSUMER PRICE INDEX ROSE YEAR-ON-YEAR

Consumer price indices – July 2014

Consumer prices in July rose compared with June by 0.2%. This development was due to the growth of prices in 'recreation and culture' and in 'housing, water, electricity, gas and other fuels'. The year-on-year increase in consumer prices amounted to 0.5% in July (0.0% in June).

The **month-on-month** increase in consumer prices in 'recreation and culture' came from the rise in seasonal prices of package holidays by 12.6%. In 'housing, water, electricity, gas and other fuels', prices of natural gas increased by 2.7% due to the termination of discounts from last July. The net actual rental was higher by 0.7%. In 'alcoholic beverages and tobacco', prices of alcoholic beverages went up by 1.1%. The growth of prices in 'transport' was due to the rise in fuel prices by 1.3%. In food, prices of bread went up by 1.1%, pork by 1.5%, poultry by 1.8%, cheese by 1.0%, yoghurts by 5.8%.

A contrary effect on the overall consumer price level in July owed to a drop primarily in prices in 'clothing and footwear' and 'food and non-alcoholic beverages'. Prices of clothing and footwear decreased (-1.5% and -4.7%, respectively). In 'food and non-alcoholic beverages', prices of fruit and potatoes went particularly down (-3.1% and -8.8%, respectively). Prices of rolls and baguettes were lower (-0.7%), as well as prices of flour (-1.3%), rice (-1.7%), eggs (-1.3%), oils and fats (-1.1%), sugar (-3.6%), non-alcoholic beverages (-2.8%).

Prices of goods in total dropped (-0.1%), while prices of services went up by 0.8%.

In terms of the **year-on-year** comparison, in July 2014, the consumer price level rose by 0.5% (0.0% in June). This development came particularly from prices in 'food and non-alcoholic beverages', which moved from a drop (-1.1%) in June to a growth by 0.8% in July. It was mainly due to the acceleration in the y-o-y rise in prices of some kinds of food and a slowdown in the decrease in potato prices. The growth accelerated primarily in prices of bread to 0.7% (0.4% in June), pork to 4.8% (2.4% in June), poultry to 6.3% (2.3% in June), eggs to 10.5% (7.4% in June), yoghurts to 14.0% (9.9% in June). Prices of potatoes dropped by 39.9% in July (-53.3% in June). In 'housing, water, electricity, gas and other fuels', the price decline decelerated due to prices of natural gas.

The biggest effect on the y-o-y growth of consumer prices came from prices in 'alcoholic beverages and tobacco', where prices of alcoholic beverages went up by 2.5% and tobacco products by 4.0%. A moderate effect on the growth of the price level came from prices in 'food and non-alcoholic beverages' in July (after their drop in June). The price level was roughly equally influenced by prices in 'clothing and footwear', where prices of clothing were higher by 2.1% and footwear by 5.7%. In 'transport', prices of fuel rose by 1.3%. In 'restaurants and hotels', the price growth came from prices of catering services, which rose by 2.0%.

A slowdown in the y-o-y price growth was affected by a decline in prices in 'housing, water, electricity, gas and other fuels' due to the fall in prices of electricity (-10.5%). The year-on-year decrease in prices continued in 'communication' due to the drop in prices of telephone and telefax services (-3.1%).

Prices of goods in total increased by 0.1% and prices of services rose by 1.0%. The overall consumer price index excluding imputed rentals was 100.4%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to July 2014 compared with the average CPI in the previous twelve months, stood at 0.6% in July.

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 0.7% in June, i.e. 0.1 percentage point up on May. Prices increased the most in the United Kingdom and Austria (1.9% and 1.7%, respectively). On the other hand, a year-on-year price decrease occurred in Bulgaria (-1.8%) and in Greece (-1.5%). In Slovakia, prices dropped by 0.1% in June (the y-o-y change 0.0% in May). In Germany, the price rise accelerated to 1.0% in June (0.6% in May). According to preliminary calculations, the HICP in the Czech Republic in July rose by 0.2%, **month-on-month**, and by 0.6% (0.0% in June), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** in **July 2014** amounted to 0.4%, 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