

# YEAR-ON-YEAR CONSUMER PRICE INDEX REMAINED UNCHANGED FROM SEPTEMBER

## Consumer price indices – October 2014

**Consumer prices in October rose compared with September by 0.2%. This development was mainly due to the increase in prices in 'clothing and footwear'. The year-on-year increase in consumer prices amounted to 0.7% in October, i.e. the same as in September.**

The **month-on-month** growth of consumer prices in 'clothing and footwear' came from the rise in prices of garments and shoes and other footwear (2.1% and 7.9%, respectively). In 'alcoholic beverages and tobacco', prices of beer rose by 1.0%, both spirits and tobacco by 0.3%, while prices of wine dropped (-1.4%). In 'housing, water, electricity, gas and other fuels', prices of the net actual rentals and solid fuels went up (0.3% and 0.7%, respectively). In 'food and non-alcoholic beverages', prices of bread were primarily higher by 1.2% in October compared with September, eggs by 4.3%, milk by 2.5%, yoghurts by 4.6%, oils and fats by 1.6%, non-chocolate confectionery by 2.7%.

A contrary effect on the overall consumer price level in October owed to a decrease particularly in 'transport', due to a reduction in fuel prices (-0.5%). A decline in prices in 'recreation and culture' was influenced especially by lower prices of package holidays (-0.9%). In food, prices of rolls and baguettes, sugar and chocolate and chocolate-based products fell in particular (-3.1%, -2.7% and -3.1%, respectively). Prices of vegetables were lower (-1.7%), of which prices of potatoes declined (-14.3%). Fruit prices dropped (-0.3%) due primarily to a decrease in prices of citrus fruit (-17.6%).

Prices of goods in total went up by 0.2%, while prices of services remained unchanged.

In terms of the **year-on-year** comparison, in October, the consumer price level rose by 0.7% (the same as in September). The price development in individual divisions of the consumer basket was, however, different in October. The acceleration in the y-o-y price growth was mainly in 'transport', where prices of fuel rose by 1.7% (0.2% in September). It was due to a deeper month-on-month drop in October 2013 compared with October 2014. In 'food and non-alcoholic beverages', the y-o-y growth of prices accelerated mainly for fish to 1.5% in October (0.4% in September), eggs to 15.5% (13.6% in September), milk to 6.5% (4.6% in September), yoghurts to 11.5% (8.8% in September). Fruit prices were higher by 9.1% (2.4% in September) due to the increase in prices of stone fruits and berries by 12.9% (a drop by 0.6% in September). Vegetable prices decreased in October by 2.1% (-1.0% in September). It was due mainly to a decline in prices of potatoes by 46.5% (-34.7% in September). Prices of bread rose by 0.4% (a decline by 0.6% in September). In 'clothing and footwear', the growth of prices accelerated due to the rise in prices of footwear by 6.4% in October (3.9% in September). On the other hand, in 'alcoholic beverages and tobacco', a slowdown in the y-o-y price increase occurred due to the lower rise in prices of alcoholic beverages by 1.5% in October (3.4% in September). In 'recreation and culture', the drop in prices of equipment for the reception, recording and reproduction of sound and pictures deepened to -9.6% in October (-7.6% in September).

The biggest effect on the y-o-y growth of consumer prices came from prices in 'food and non-alcoholic beverages'. The second in order of influence on the overall level of consumer prices (despite the slowdown in its y-o-y growth in October) was the division 'miscellaneous goods and services', where prices of insurance and financial services were higher (3.0% and 5.2%, respectively).

The reduction of 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 (-10.2%). Prices of natural gas increased by 2.4%, the net actual rentals by 1.0%, water supply by 3.4%, sewage collection by 3.2%, heat and hot water by 0.7%. The year-on-year decrease in prices continued in 'communication' due to the drop in prices of telephone and telefax services and mobile phones (-2.0% and -17.6%, respectively).

Prices of goods in total went up by 0.4% and prices of services rose by 1.2%. The overall consumer price index excluding imputed rentals was 100.6%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2014 compared with the average CPI in the previous twelve months, stood at 0.5% in October.

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 **EU28 member states** was 0.4% in **September**, i.e. 0.1 percentage point less than in August. Prices went up the most in Romania (1.8%) and Finland (1.5%). On the other hand, the largest price decline occurred in Bulgaria and Greece (-1.4% and -1.1%, respectively). In Slovakia, prices dropped by 0.1% in September. In Germany, the year-on-year price rise remained at 0.8% in September (the same as in July and August). According to preliminary calculations, the HICP in the Czech Republic in **October** rose by 0.1%, **month-on-month**, and by 0.7% (0.8% in September), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in October 2014** amounted to 0.4%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

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