

AUTOMOTIVE FUEL PRICES DROPPED FURTHER

Consumer price indices – October 2015

Consumer prices in October remained unchanged compared with September (monthly change 0.0%). This development came primarily from a reduction in prices in 'transport', which was offset by a growth of prices in 'clothing and footwear'. The year-on-year rise in consumer prices amounted to 0.2%. It was by 0.2 percentage points less than in September.

The **month-on-month** decrease in consumer prices in 'transport' came from the decline in automotive fuel prices, which lasted for the third month and amounted to 3.0% in October. The average price of petrol Natural 95 (30.54 CZK per litre) was the lowest in October since February 2015, the price of diesel oil (29.86 CZK per litre) even since March 2010. In 'food and non-alcoholic beverages', prices of fruit went particularly down by 1.8%, bread and cereals by 0.5%, poultry by 1.2%, fish by 2.2%, cheese by 2.0%, yogurts by 1.5%, butter by 2.6%, sugar by 3.3%. The price drop in 'furnishings, household equipment and routine household maintenance' was due to the decrease in prices of cleaning and maintenance products by 4.1%.

In 'alcoholic beverages and tobacco', prices of beer and tobacco products were lower (-0.6% and -0.2%, respectively). In 'health', prices of stays at spas declined by 4.5%.

The month-on-month growth of consumer prices in 'clothing and footwear' was influenced by the rise in prices of garments by 3.3% and shoes and other footwear by 5.0%. In 'housing, water, electricity, gas and other fuels', the net actual rental prices rose by 0.3% and solid fuels by 0.8%. In 'miscellaneous goods and services', prices of beauty products went up by 0.9%. In food, prices of potatoes were primarily higher by 4.8%, coffee by 2.9%, cocoa by 1.1%.

Prices of goods in total decreased (-0.1%) and prices of services went up by 0.1%.

In terms of the **year-on-year** comparison, in October, the consumer price level rose by 0.2%, i.e. by 0.2 percentage points less than in September. This development was influenced both by a slowdown in the year-on-year price increase in 'alcoholic beverages and tobacco' and by a deepening decline in prices in 'transport' and 'food and non-alcoholic beverages'. In 'alcoholic beverages and tobacco', the rise in prices of alcoholic beverages slowed down to 1.2% (1.6% in September) and tobacco products to 8.0% (8.5% in September). In 'transport', the decline in automotive fuel prices continued and reached 17.2% in October (-15.1% in September). In 'food and non-alcoholic beverages', prices of bread dropped by 3.2% in October (-1.5% in September), poultry by 4.5% (-3.4% in September), eggs by 7.4% (-3.5% in September), milk by 15.6% (-13.3% in September), cheese by 12.9% (-11.3% in September), yoghurts by 6.5% (-0.8% in September), butter by 7.9% (-5.6% in September). A slowdown in the growth of fruit prices to 4.1% (5.7% in September) had the effect as well.

The biggest influence on the growth of the price level in October came, as before (despite its weakening), from prices in 'alcoholic beverages and tobacco'. Next in order of influence were prices in 'housing, water, electricity, gas and other fuels' and 'recreations and culture'. In 'housing, water, electricity, gas and other fuels', prices of water supply rose by 3.4%, sewage collection by 2.8%, the net actual rentals by 0.9%, heat and hot water by 2.3%. Prices of electricity were lower (-0.6%), y-o-y. In 'recreation and culture', prices of package holidays were higher by 7.4%. In 'clothing and footwear', prices of shoes and footwear were higher by 6.6% and prices of garments by 1.7%. In 'restaurants and hotels', prices of catering services were higher by 1.5% and accommodation services by 0.4%. In 'miscellaneous goods and services', prices of insurance and financial services rose (2.4% and 2.3%, respectively).

A reduction in the y-o-y price level came mainly from the price drop in 'transport' due to the development of automotive fuel prices. Prices in 'food and non-alcoholic beverages' had a downward effect, although some food prices rose significantly. It was particularly relevant to potatoes, of which prices were higher by 85.5% year-on-year in October. The decline in prices continued in 'health' (due to the abolition of regulatory fees) and in 'communication'.

Prices of goods in total dropped (-0.1%) and prices of services went up by 0.9%. The overall consumer price index excluding imputed rentals was 100.2%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2015 compared with the average CPI in the previous twelve months, amounted to 0.4% in October.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices (HICP)**¹⁾ in the **EU28 member states** was -0.1% in **September** i.e. 0.1 percentage point less than in August. The decrease occurred in seventeen EU countries, of which the largest in Cyprus (-1.9%) and Romania (-1.5%). On the other hand, prices went up the most in Malta (1.6%), Belgium, Portugal and Sweden (all 0.9%). In Slovakia, prices dropped by 0.5% in September (-0.2% in August). In Germany, prices turned to the 0.2% drop in September from a 0.1% August growth. According to preliminary calculations, the HICP in the Czech Republic in **October** remained unchanged, **month-on-month**, and the **year-on-year** growth remained 0.2% (the same as in August and September). The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in October 2015** amounted to 0.0%, 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