

YEAR-ON-YEAR RISE IN CONSUMER PRICES SLOWED DOWN AGAIN

Consumer price indices – August 2015

Consumer prices in August decreased compared with July by 0.2%. This development came primarily from a reduction in prices in 'food and non-alcoholic beverages' and 'alcoholic beverages and tobacco'. The year-on-year rise in consumer prices amounted to 0.3%. It was by 0.2 percentage points less than in July.

The **month-on-month** decrease in consumer prices in 'food and non-alcoholic beverages' came especially from the drop in prices of fruit by 2.9% and vegetables by 1.7%, of which prices of potatoes went down by 9.2%. A decline in prices was recorded also for other kinds of food. Prices of bread were lower by 1.9%, eggs by 7.7%, cheese by 1.2%, yoghurts by 3.9%, other milk products by 1.9%, butter by 2.6%, sugar by 1.8%, non-alcoholic beverages by 1.5%. In 'alcoholic beverages and tobacco', prices of alcoholic beverages dropped by 1.9%. In 'clothing and footwear', the drop in prices was due to a price decline in shoes and other footwear by 2.1%. In 'transport', prices of automotive fuel decreased by 1.7%.

A contrary effect on the overall consumer price level in August owed particularly to a price increase in 'recreation and culture' due to the rise in seasonal prices of package holidays by 2.7%. In food, prices of rolls and baguettes went up by 1.7%, pasta by 1.1%, poultry by 1.7%, milk by 0.8%, edible oils by 4.8%, non-chocolate confectionery by 2.5% in particular.

Prices of goods in total decreased by 0.5% and prices of services rose by 0.3%.

In terms of the **year-on-year** comparison, in August, the consumer price level rose by 0.3%, i.e. by 0.2 percentage points less than in July. In 'transport', the price decrease deepened due particularly to automotive fuel prices, which were lower by 12.0% in August (-10.8% in July). In 'food and non-alcoholic beverages', the decline in prices in a number of food deepened as well. Prices of bread fell by 3.2% (-1.2% in July), flour by 8.0% (-2.1% in July), cheese and yoghurts both by 8.1% (-7.7% and -0.5%, respectively in July), other milk products by 5.4% (-4.5% in July), sugar by 18.6% (-16.8% in July). Prices of eggs moved to a drop (-5.5%) in August from an increase by 5.3% in July. Similarly, prices of non-alcoholic beverages declined by 0.8% (a rise by 2.6% in July). The growth of fruit prices slowed down to 6.2% (from 10.1% in July). A slowdown in the y-o-y rise in prices occurred also in 'miscellaneous goods and services', where the rise in prices of financial services slowed primarily down to 4.7% (from 7.5% in July). It was due to the higher month-on-month growth in August 2014.

The biggest influence on the growth of the price level in August came from prices in 'alcoholic beverages and tobacco', where prices of tobacco products rose by 8.8%. Next in order of influence were prices in 'housing, water, electricity, gas and other fuels', where prices of water supply rose by 3.4%, sewage collection by 2.8%, the net actual rentals by 0.7%, heat and hot water by 2.3%. Prices of electricity were lower (-0.4%), y-o-y. The growth of prices in 'recreation and culture' was due to the increase in prices of package holidays by 6.4% in particular. In 'clothing and footwear', prices of shoes and footwear were higher by 9.3% and prices of garments by 0.4%. In 'restaurants and hotels', prices of catering services were higher by 1.6% and accommodation services by 0.4%. In 'miscellaneous goods and services', prices of insurance and financial services rose (2.5% and 4.7%, respectively). In food, prices of vegetables went mainly up by 11.0%, of which prices of potatoes by 19.8%.

A reduction in the y-o-y price level came from the price drop in 'food and non-alcoholic beverages', 'transport', 'health' (due to the abolition of regulatory fees).

Prices of goods in total remained unchanged compared with August 2014 and prices of services rose by 0.8%. The overall consumer price index excluding imputed rentals was 100.3%, year-on-year.

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

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 July** i.e. the same as in June. Prices went up the most in Malta and Austria (1.2% and 1.1%, respectively). On the other hand, the decrease occurred in eleven EU countries, of which the largest in Cyprus (-2.4%) and Romania (-1.4%). In Slovakia, prices dropped by 0.2% in July i.e. by 0.1% more than in June. In Germany, the growth of prices was 0.1% (the same as in June). According to preliminary calculations, the HICP in the Czech Republic **in August** decreased by 0.2%, **month-on-month**, and the **year-on-year** growth slowed down to 0.2% (from 0.4% in July). The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in August 2015** amounted to 0.2%, 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