

# YEAR-ON-YEAR CONSUMER PRICE INDEX CONTINUED TO RISE MODERATELY

## Consumer price indices – June 2015

**Consumer prices in June increased compared with May by 0.1%. This development was due to the growth of prices in 'recreation and culture' and 'transport' in particular. The year-on-year increase in consumer prices went up by 0.8%, which was by 0.1 percentage point more than in May and the most since December 2013.**

The **month-on-month** increase in consumer prices in 'recreation and culture' came from the seasonal rise in prices of package holidays by 5.2%. In 'transport', the increase in fuel prices, which continued for the fourth month, stood at 0.8% in June. In 'alcoholic beverages and tobacco', beer prices went up by 3.9%, prices of spirits decreased (-1.9%). In 'health', prices of pharmaceutical products rose by 0.3%. In 'miscellaneous goods and services', prices of articles for personal hygiene and insurance were higher (0.8% and 1.0%, respectively). Prices of food and non-alcoholic beverages as a whole remained unchanged compared with May, but some kinds of food recorded significant price movements. It was relevant to prices of potatoes in particular, which were higher by 45.2%, month-on-month, as the market offer of new potatoes was higher. Prices of rolls and baguettes went up by 3.5%, flour by 3.8%, fruit by 6.3%.

A contrary effect on the overall consumer price level in June owed especially to a price drop in 'clothing and footwear', where garment prices went down (-0.5%) and prices of shoes and other footwear went down as well (-0.2%). In 'communication', prices of telephone and telefax services and prices of mobile phones declined (-0.2% and -0.7%, respectively). In food, prices of vegetables cultivated for their fruit fell (-26.4%) primarily as well as prices of eggs (-6.5%), milk (-5.8%), butter (-2.4%), vegetable and other fats (-4.5%) and sugar (-6.2%).

Prices of goods in total remained unchanged compared with May and prices of services rose by 0.4%.

In terms of the **year-on-year** comparison, in June, the consumer price level rose by 0.8%, i.e. by 0.1 percentage point more than in May. An acceleration in the y-o-y price growth occurred mainly in 'alcoholic beverages and tobacco', where prices of alcoholic beverages went up by 1.9% in June (0.6% in May). In 'food and alcoholic beverages', prices moved to a growth by 0.6% in June from a drop (-0.3%) in May. This development came especially from prices of vegetables, which were higher by 7.6% in June (6.6% in May) due to prices of potatoes, which increased by 19.5% in June, y-o-y (a drop -25.9% in May). Fruit prices went up by 10.9% (3.4% in May). The decrease in prices of bread slowed down to -1.3% in June (-3.1% in May). The drop in prices of rolls and baguettes slowed down to -1.1% in June (-6.1% in May). Similarly, prices of cheese fell by 4.8% in June (-6.0% in May) and prices of yoghurts turned to a growth by 5.0% in June from a decrease in May (-1.6%). A slowdown of the y-o-y rise in prices occurred in 'miscellaneous goods and services', due primarily to prices of personal care, which were higher only by 0.1% in June (2.2% in May) as a result of the higher month-on-month rise in June 2014 compared with June 2015.

The biggest influence on the growth of the price level in June came from prices in 'alcoholic beverages and tobacco' due to the increase in prices of tobacco products by 8.7%. The second in order of influence were prices in 'housing, water, electricity, gas and other fuels', where prices of natural gas rose by 4.5%, water supply by 3.4%, sewage collection by 2.8%, the net actual rentals by 1.4%, heat and hot water by 2.4%. Prices of electricity were lower (-0.3%), y-o-y. In 'clothing and footwear', prices of garments were higher by 1.5% and shoes and footwear by 8.1%. The growth of prices in 'recreation and culture' was due to the increase in prices of package holidays by 6.6% in particular. In 'restaurants and hotels', prices of catering services were higher by 1.7%. In 'miscellaneous goods and services', prices of insurance and financial services rose (2.7% and 7.5%, respectively).

A reduction in the y-o-y price level came, as before, from the price drop in 'transport', 'health' (due to the abolition of regulatory fees) and 'communication'. In 'transport', prices decreased primarily due to fuel prices, which were lower (-9.7%) in June.

Prices of goods in total rose by 0.8% and prices of services by 1.0%. The overall consumer price index excluding imputed rentals was 100.9%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to June 2015 compared with the average CPI in the previous twelve months, amounted to 0.5% in June.

According to preliminary data of Eurostat, the year-on-year change in the average **harmonized index of consumer prices (HICP)**<sup>1)</sup> in the **EU28 member states** was 0.3% in **May** i.e. 0.3 percentage point more than in April. Prices went up the most in Romania and in Malta (both 1.3%). On the other hand, the drop occurred in eight EU countries, of which the largest in Cyprus (-1.7%) and Greece (-1.4%). In Slovakia, prices dropped by 0.1% in May (the same as in April). In Germany, prices went up by 0.7% (0.3% in April). According to preliminary calculations, the HICP in the Czech Republic in **June** increased by 0.2%, **month-on-month**, and by 0.9% (0.7% in May), **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in June 2015** amounted to 0.2%, 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