

Prices of automotive fuel continued to grow

Consumer price indices – March 2010

The total consumer price level in March increased compared with February by 0.3 %. This development came primarily from a price rise in 'food and non-alcoholic beverages' and 'transport'. In March the growth of consumer prices accelerated moderately to 0.7 %, y-o-y, (from 0.6 % in February).

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The **month-on-month** consumer price growth was influenced by a price rise in 'food and non-alcoholic beverages' due mainly to an increase in prices of vegetables incl. potatoes and fruit (10.4 % and 2.3 %, respectively). In 'transport', prices of automotive fuel went up by 2.5 %. In March, prices of petrol Natural 95 were the highest since August 2008, prices of diesel oil since October 2008. Prices of clothing rose by 0.6 % and footwear by 1.2 % due to new spring models on the market.

A downward effect on the price level came from a price drop in 'recreation and culture', in which prices of package holidays went down by 3.3 % due to the end of winter season. Lower than in the previous month were also prices of some food. Prices of yoghurts decreased by 1.5 %, butter by 2.0 %, sugar by 2.7 % and coffee by 1.0 %.

Prices of goods in total increased by 0.4 % and prices of services dropped by 0.2 %.

In terms of the **year-on-year** comparison, in March 2010, the increase in consumer prices was 0.7 % (0.6 % in February). A moderate acceleration of the price growth came particularly from price development in 'food and non-alcoholic beverages' due to a slowdown in their y-o-y drop. The price growth of alcoholic beverages decelerated to 4.5 % (from 5.4 % in February) and tobacco products to 1.7 % (from 2.7 % in February).

A dominant upward effect on the price level came from prices of automotive fuel, which were higher by 21.7 %. In 'housing, water, electricity, gas and other fuels', the net actual rentals went up by 10.7 %, of which for dwellings with regulated rentals by 18.4 % and for dwellings with market rentals by 1.3 %. Prices of water supply were higher by 4.1 % and sewerage collection by 4.6 %. Prices in 'restaurants and hotels' rose (2.6 % and 1.9 %, respectively).

The reduction of price level came, as before, (yet with smaller intensity) from 'food and non-alcoholic beverages', in which prices of bread were lower by 9.6 %, rolls and baguettes by 22.6 %, flour by 16.0 %, edible oils by 10.0 %, fruit by 4.8 % and sugar by 10.4 %. In 'clothing and footwear', prices of clothing were lower by 3.8 %. In 'housing, water, electricity, gas and other fuels', prices of natural gas and electricity went down (-12.3 % and -2.7 %, respectively). In 'recreation and culture', prices of audiovisual and photographic equipment and data-processing equipment were lower by 7.8 %. In 'communications', prices of mobile phones decreased and so did prices of telephone and telefax services due to discounts provided by mobile operators (-12.0 % and -2.5 %, respectively).

Prices of goods in total dropped by 0.5 %, while prices of services were higher by 2.2 %. The overall consumer price index excluding imputed rentals was 100.4 %, year-on-year.

Average inflation rate, i.e. the increase in the average consumer price index in the twelve months to March 2010 compared with the average CPI in the previous twelve months, stood at 0.7 % in March, which is 0.1 percentage point down compared with February 2010.

According to preliminary data of Eurostat, the year-on-year increase in the average **harmonized index of consumer prices** (HICP) in the **EU27 member states** was 1.4 % in **February 2010** (0.3 percentage point down on January). The highest annual rates were observed in Hungary (5.6 %) and Romania (4.5 %). A year-on-year drop was recorded for five EU member states. The biggest decrease was reported for Latvia (-4.3 %). In Germany, the y-o-y growth slowed down to 0.5 % (from 0.8 % in January). In Slovakia, the price drop was 0.2 % in February (the same as in January). According to preliminary calculations, the HICP in the **Czech Republic in March** increased by 0.2 %, **month-on-month**, and by 0.4 % (for the third month), **year-on-year**. The **MUICP** (Monetary Union Index of Consumer Prices) flash estimate for **the Eurozone in March 2010** was 1.5 %, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

In March 2010, in comparison to February 2010, consumer prices rose in **households of pensioners** by 0.3 %. It was recorded a higher consumer price index for 'transport' by 1.0 %. The increase was affected particularly by higher prices of automotive fuel and bicycles. Higher index was registered for 'food and non-alcoholic beverages' by 0.8 % due mainly to an increase in seasonal prices of vegetables and fruit. In 'clothing and footwear', the consumer price level went up by 0.7 %. An upward effect on the consumer price level came primarily from the rise in prices of women's footwear. On the other hand, a lower index was recorded for 'recreation and culture' (-0.5 %) mainly due to lower prices of domestic recreational stays and prices of photographic and cinematographic equipment and optical instruments. A drop was recorded for 'alcoholic beverages, tobacco' by 0.4 %, primarily due to the decrease in prices of wine and spirits.

In the capital city of Prague, the overall consumer price index (cost of living) increased by 0.2 % month-on-month (by 0.3 % in the whole Czech Republic). The consumer price index for 'food and non-alcoholic beverages' increased by 0.9 % (0.8 % in the Czech Republic) due primarily to higher seasonal prices of vegetables and fruit. Prague registered a higher index for 'clothing and footwear' by 0.9 % (0.8 % in the Czech Republic) particularly due to higher prices of women's and children's footwear. The consumer price index for 'health' went up by 0.7 % (0.3 % in the Czech Republic), affected mainly by higher prices of medical services and hospital services. On the other hand, a decrease occurred in 'recreation and culture' by 1.3 % (-0.9 % in the Czech Republic) as a result of lower prices of domestic recreational stays in particular. In 'furnishings, household equipment and routine maintenance of the house', the drop in prices by 0.6 % (-0.1 % in the Czech Republic) came mainly from lower prices of detergents.