Consumer prices rose moderately year-on-year

Consumer price indices – inflation – July 2016

**Consumer prices in July increased compared with June by 0.3%. This development was primarily due to a growth of prices in 'recreation and culture' and further in 'food and non-alcoholic beverages' and 'alcoholic beverages and tobacco'. The year-on-year rise in consumer prices accelerated to 0.5% in July from 0.1% in June.**

The **month-on-month** increase in consumer prices in 'recreation and culture' came from the rise in seasonal prices of package holidays by 12.8%. In 'food and non-alcoholic beverages', prices of the majority kinds of food went up. Prices of cheese were higher by 3.9%, pork by 3.5%, sugar by 6.5%, poultry by 1.6%, non-alcoholic beverages by 0.8%, chocolate and chocolate-based products by 2.8%, butter by 3.9%. In 'alcoholic beverages and tobacco', prices of wine and beer rose in particular (2.7% and 1.7%, respectively).

A decrease in the price level came primarily from a price drop in 'clothing and footwear', where prices of garments dropped by 1.5% and prices of shoes and other footwear by 3.5%. In 'transport', prices of automotive fuel went down by 0.4%. In food, fruit prices decreased by 1.1% and vegetable prices by 2.9%, of which potato prices by 13.4%.

Prices of goods in total went up by 0.1% and prices of services by 0.9%.

In terms of the **year-on-year** comparison, in July, the consumer prices increased by 0.5%, i.e. 0.4 percentage points up on June. This change was especially due to a substantial reduction of the price decline in 'food and non-alcoholic beverages'. Prices of eggs were lower by 11.4% in July (-12.9% in June), cheese by 5.5% (-11.0% in June), yoghurts by 10.4% (-11.6% in June), other milk products by 4.4% (-7.3% in June), butter by 7.9% (-10.5% in June), fruit by 3.1% (-5.7% in June), sugar by 1.0% (-6.7% in June), non-alcoholic beverages by 0.3% (-1.5% in June). Vegetable prices were higher by 9.9% in July (2.1% in June). In 'clothing and footwear', prices of garments went up by 1.9% (0.4% in June). The rise in prices of shoes and other footwear slowed down slightly to 4.9% (5.2% in June). In 'miscellaneous goods and services', prices of personal care rose by 1.5% (0.6% in June) and prices of financial services by 2.6% (2.1% in June).

The biggest influence on the growth of the y-o-y price level in July came, as before, from prices in 'alcoholic beverages and tobacco' due to the increase in prices of tobacco products and alcoholic beverages (5.4% and 3.0%, respectively). An influence on the rise had also prices in 'housing, water, electricity, gas and other fuels', where prices of the net actual rentals increased by 1.6%, water supply by 1.6%, sewage collection by 5.3%, electricity by 1.2%, heat and hot water by 1.0%. In 'recreation and culture', prices of recreational and cultural services went primarily up by 2.3%. In 'restaurants and hotels', prices of catering services were higher by 1.2% and prices of accommodation services by 0.9%. In 'health', prices of therapeutic stays at a spa rose by 4.4%.

A reduction in the y-o-y price level came, as before, from the price decrease in 'transport' due to a decline in automotive fuel prices by 10.6%. The drop in prices continued, albeit with significantly lower effect in 'food and non-alcoholic beverages'. In 'housing, water, electricity, gas and other fuels', prices of natural gas went down by 6.9%.

Prices of goods in total rose by 0.1% and prices of services by 1.4%. The overall consumer price index excluding imputed rentals was 100.5%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to July 2016 compared with the average CPI in the previous twelve months, amounted to 0.3% in July.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices** (HICP)[[1]](#footnote-1)) in the **EU28 member states** amounted to 0.0% **in June** i.e**.** 0.1percentage point more than in May. Prices went up the most in Belgium (1.8%) and Sweden (1.2%). On the other hand, the decrease occurred in thirteen EU countries, of which the largest in Cyprus (-2.0%) and Bulgaria (-1.9%). In Slovakia, prices went down by 0.7% in June (the same as in May). In Germany, the year-on-year price increase was 0.2% in June (0.0% in May). According to preliminary calculations, the HICP in the Czech Republic **in July** was0.4%, **month-on-month,** and the **year-on-year** change was 0.5% (-0.1% in June). The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** **in July 2016** amounted to 0.2%, y-o-y, as Eurostat announced (more information on the Eurostat’s web pages: [**HICP**](http://ec.europa.eu/eurostat/web/hicp/data/main-tables).)

1. ) So far, imputed rentals have been excluded from the HICP [↑](#footnote-ref-1)