

# YEAR-ON-YEAR CONSUMER PRICE GROWTH ACCELERATED

## Consumer price indices – inflation – April 2016

**Consumer prices in April increased compared with March by 0.6%. The price development was primarily due to a rise in prices in 'alcoholic beverages and tobacco' and 'clothing and footwear'. The year-on-year growth of consumer prices was 0.6% in April, i.e. 0.3 percentage points up on March.**

The **month-on-month** increase in consumer prices in 'alcoholic beverages and tobacco' came primarily from the rise in prices of alcoholic beverages and tobacco products (3.3% and 1.7%, respectively). In 'clothing and footwear', prices of garments went up by 2.9% and prices of shoes and other footwear by 6.3%. In 'transport', automotive fuel prices increased by 3.3% after a month-on-month drop, which lasted eight months. In 'housing, water, electricity, gas and other fuels', prices of water supply increased by 1.1%, sewage collection by 1.9%, heat and hot water by 0.9%. In 'food and non-alcoholic beverages', prices of cheese were higher by 2.4% in particular, prices of oils and fats by 2.4%, non-alcoholic beverages by 1.0%, poultry by 1.5%, milk by 1.8%, bread by 1.3% rolls and baguettes by 1.0%. The price increase in 'miscellaneous goods and services' was due especially to prices of financial services, which rose by 1.5%.

A decrease in the price level came particularly from a price drop in 'recreation and culture', due mainly to lower prices of package holidays by 2.1%. In food, prices of fruit went primarily down by 1.0% and vegetables by 2.9%, of which potato prices declined by 2.2%.

Prices of goods in total went up by 0.8%, while prices of services remained unchanged.

In terms of the **year-on-year** comparison, in April, the consumer prices increased by 0.6%, i.e. 0.3 percentage points up on March. This development came from the acceleration in the year-on-year price rise in 'alcoholic beverages and tobacco', where prices of alcoholic beverages went up by 6.8% (3.6% in March) and prices of tobacco products by 3.9% (2.4% in March). In 'transport', the decreasing influence of automotive fuel prices slowed down. They were lower by 13.9% in April (a drop -15.3% in March).

The biggest influence on the growth of the price level in April came from prices in 'alcoholic beverages and tobacco'. Next in order of influence were prices in 'housing, water, electricity, gas and other fuels' and prices in 'recreation and culture'. In 'housing, water, electricity, gas and other fuels', prices of the net actual rentals increased by 1.1%, water supply by 1.6% sewage collection by 5.3%, electricity by 1.2%, heat and hot water by 1.0%. Prices of natural gas were lower by 0.5%, year-on-year. In 'recreation and culture', prices of package holidays rose by 5.0%. In 'clothing and footwear', prices of garments were higher by 0.7% and prices of shoes and other footwear by 5.9%. A positive effect on the rise in the price level had also prices in 'restaurants and hotels', where prices of catering services and accommodation services went up (1.3% and 0.7%, respectively).

A reduction in the y-o-y price level came, as before, from the price drop in 'transport' and in 'food and non-alcoholic beverages'. In 'food and non-alcoholic beverages', prices of bread were lower by 2.3% compared with April 2015 in particular, flour by 16.5%, meat by 1.7%, eggs by 10.1%, milk by 14.3%, cheese by 9.1%, yoghurts by 11.8%, butter by 9.7%, sugar by 12.0%. Fruit prices, which rose since May 2015, year-on-year, fell by 1.6% in April 2016. The y-o-y growth was mainly recorded for prices of vegetables by 8.6% (of which potato prices by 45.7%) and prices of non-alcoholic beverages by 1.6%. The decrease in prices continued in 'communication' due to the drop in prices of telephone and telefax services by 0.7% and mobile phones by 10.6%.

Prices of goods in total declined by 0.1% and prices of services went up 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 April 2016 compared with the average CPI in the previous twelve months, amounted to 0.4% in April.

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** amounted to 0.0% **in March** i.e. 0.1 percentage point more than in February. Prices went up the most in Belgium (1.6%) and Sweden (1.2%). On the other hand, the decrease occurred in sixteen EU countries, of which the largest in Romania (-2.4%) and Cyprus (-2.2%). In Slovakia, prices fell by 0.5% in March (-0.3% in February). In Germany, prices turned from a drop by 0.2% in February to a rise by 0.1% in March. According to preliminary calculations, the HICP in the Czech Republic **in April** was 0.6%, **month-on-month**, and the **year-on-year** change was 0.5% (0.3% in March). The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in April 2016** amounted to -0.2%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

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<sup>1)</sup> So far, imputed rentals have been excluded from the HICP