

# AUTOMOTIVE FUEL PRICES WENT DOWN AGAIN

## Consumer price indices – January 2016

**Consumer prices in January rose compared with December by 0.6%. The price development was primarily due to an increase in prices in 'food and non-alcoholic beverages' and 'alcoholic beverages and tobacco'. The year-on-year rise in consumer prices was 0.6% in January i.e. 0.5% up on December 2015.**

The **month-on-month** increase in consumer prices in 'food and non-alcoholic beverages' came primarily from the rise in prices of vegetables by 6.1%, non-alcoholic beverages by 3.8%, milk by 2.2%, yoghurts by 2.8%, oils and fats by 2.9%, meat by 0.6%. In 'alcoholic beverages and tobacco', prices of spirits went up by 5.6%, wine by 7.3%, beer by 4.1%. In 'housing, water, electricity, gas and other fuels', prices of electricity increased primarily by 1.2%, the net actual rentals by 0.3%, water supply by 0.5%, sewage collection by 3.3%, fees for refuse collection by 1.1%. Prices of natural gas and prices of heat and hot water dropped (both -0.5%). The price rise in 'recreation and culture' came especially from prices of package holidays by 6.2%. In 'miscellaneous goods and services', prices of articles for personal hygiene increased by 2.2% and prices of beauty products by 2.5%. In 'health', prices of stays at spa were higher by 1.7%.

A month-on-month drop in the price level came particularly from a decline in 'clothing and footwear', where prices of garments and prices of shoes and other footwear decreased (-3.5% and -3.8%, respectively). In 'transport', a drop in automotive fuel prices continued for the sixth month and amounted to 3.7% in January. The average price of petrol Natural 95 (28.04 CZK per litre) was the lowest since October 2009 and the average price of diesel oil (27.28 CZK per litre) since December 2009. In 'furnishings, household equipment and routine household maintenance', prices of furniture were lower by 1.4%. In food, prices of fruit went down by 0.7%, pasta by 3.1%, bread by 0.7%.

Prices of goods in total and services went up (0.5% and 0.7%, respectively).

In terms of the **year-on-year** comparison, in January, the consumer prices rose by 0.6%, i.e. 0.5 percentage points up on December 2015. An acceleration in the year-on-year price growth came especially from a slowdown in the price drop in 'transport' and in 'food and non-alcoholic beverages' in January. In 'health', the year-on-year decline, which lasted due to the abolition of regulatory fees in public health since January 2015, finished. In 'transport', a decrease in automotive fuel prices slowed down and amounted to -11.0% in January (-15.1% in December). The price development in 'food and non-alcoholic beverages' in January was due primarily to an acceleration in the year-on-year rise in prices of vegetables by 15.7% (12.7% in December) and fruit by 2.6% (1.3% in December). Prices of rolls and baguettes rose by 2.5% in January (-0.1% in December). The price drop in some food slowed down. Prices of pork were lower by 4.0% in January (-6.0% in December), milk by 14.1% (-16.2% in December), yoghurts by 9.9% (-11.9% in December), butter by 7.8% (-9.0% in December), non-alcoholic beverages by 1.7% (-4.3% in December).

The biggest influence on the growth of the price level in January came from prices in 'alcoholic beverages and tobacco', where prices of tobacco products went up by 6.4% and prices of alcoholic beverages by 2.3%. Next in order of influence were prices in 'housing, water, electricity, gas and other fuels', where prices of electricity rose by 1.2%, the net actual rentals by 1.4%, water supply by 0.5%, sewage collection by 3.3%, heat and hot water by 1.0%. Prices of natural gas were lower (-0.5%), y-o-y. In 'recreation and culture', prices of package holidays went up by 6.9%. In 'clothing and footwear', prices of garments were higher by 0.8% and prices of shoes and other footwear by 6.5%. In 'restaurants and hotels', prices of catering services were higher by 1.2% and prices of accommodation services remained unchanged, y-o-y.

A reduction in the y-o-y price level came, as before (despite its weakening), from the price drop in 'food and non-alcoholic beverages' (-2.0%) and in 'transport' (-2.5%). The decline in prices continued in 'communication'.

Prices of goods in total remained unchanged, while prices of services went up by 1.6%. 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 January 2016 compared with the average CPI in the previous twelve months, amounted to 0.4% in January.

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 0.2% in December i.e. 0.1 percentage point more than in November. Prices went up the most in Belgium (1.4%) and Malta (1.2%). On the other hand, the decrease occurred in twelve EU countries, of which the largest in Bulgaria (-0.9%) and Romania (-0.7%). In Slovakia, prices dropped by 0.5% in December (-0.4% in November). In Germany, the price level rose by 0.2% (0.3% in November). According to preliminary calculations, the HICP in the Czech Republic in **January 2016** was 0.6%, **month-on-month**, and the **year-on-year** change amounted to 0.5% (-0.1% in December). The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in January 2016** amounted to 0.4%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

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Starting from January 2016, the consumer price indices are calculated with updated weights, which are derived from the household expenditures in 2014. The new calculated indices are chained at all levels of the consumer basket with the original base period average of 2005 = 100. Thereby, a continuation of the existing index time series average of 2005 = 100, from which indices to other bases will be derived (previous month = 100, corresponding period of last year = 100 and annual rolling average, i.e. the average of index numbers over the last 12 months to the average for the previous 12 months) will be ensured.

New consumer basket is available on the web pages CZSO: [consumer basket](#).

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