

## YEAR-ON-YEAR GROWTH OF PRICES WAS THE HIGHEST IN THE LAST FIVE YEARS

### Consumer price indices – inflation – October 2017

Consumer prices in October went up compared with September by 0.5%. This development was primarily due to the growth of prices in 'food and non-alcoholic beverages'. The year-on-year rise in consumer prices amounted to 2.9%, which was 0.2% percentage points up on September. This was the highest year-on-year rise in prices since October 2012.

The **month-on-month** increase in consumer prices in 'food and non-alcoholic beverages' came especially from the rise in prices of vegetables by 8.4% due to higher prices of vegetables cultivated for their fruit by 35.0%. The growth of food prices was also influenced by higher prices of fruit by 6.0%, eggs by 12.5%, fresh butter by 5.6%, cheese by 1.3%, yoghurts by 2.9%, poultry by 1.8%, chocolate and chocolate-based products by 3.1%. In 'clothing and footwear', prices of garments went up by 2.4% and prices of shoes and other footwear by 4.6%. In 'miscellaneous goods and services', prices of personal care rose especially by 1.6%. In 'transport', the rise in prices of automotive fuel continued and amounted to 0.8% in October.

A drop in the price level came mainly from a price decrease in 'communication' due to lower prices of telephone and telefax services by 0.6%. In 'health', prices of therapeutic stays at a spa went down by 4.2%.

Prices of goods in total rose by 0.8% and prices of services by 0.1%.

In terms of the **year-on-year** comparison, in October, the consumer prices increased by 2.9%, i.e. 0.2 percentage points up on September. This development was influenced primarily by the acceleration in the y-o-y price rise in 'food and non-alcoholic beverages'. Prices of vegetables turned to a growth by 10.4% in October from a decline by 4.4% in September, prices of fruit were higher by 8.2% (2.4% in September), eggs by 36.4% (25.8% in September), non-alcoholic beverages by 4.3% (1.6% in September). In 'clothing and footwear', prices of garments deepened their drop to -1.9% (-0.3% in September) and prices of shoes and other footwear slowed down their rise to 2.5% (3.6% in September).

The biggest influence on the growth of the y-o-y price level in October came, as before, from prices in 'food and non-alcoholic beverages'. Prices of bread and cereals increased by 6.1%, meat by 4.9%, milk by 11.4%, cheese by 12.7%, yoghurts by 13.1%, fresh butter by 50.7%, vegetable and other fats by 14.4%. Next in order of influence were prices in 'housing, water, electricity, gas and other fuels', where prices of net actual rentals rose by 2.9%, water supply by 1.2%, sewage collection by 0.4%, electricity by 0.3%. The rise in the price level came also from prices in 'restaurants and hotels', where prices of catering services were higher by 7.2% and prices of accommodation services by 1.7%. In 'transport', the price increase continued due to higher prices of automotive fuel by 2.6%.

A reduction in the price level, y-o-y, came from lower prices in 'clothing and footwear' (-0.9%). A drop continued in 'communication' due to lower prices of telephone and telefax services (-1.8%). In 'housing, water, electricity, gas and other fuels', prices of heat and hot water and prices of natural gas were lower (-2.3% and -0.8%, respectively).

Prices of goods in total went up by 2.7% and prices of services by 3.2%. The overall consumer price index excluding imputed rentals was 102.7%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2017 compared with the average CPI in the previous twelve months, amounted to 2.3% in October.

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 1.8% in **September**, i.e. 0.1 percentage point up on August. The rise in prices was the highest in Lithuania (4.6%) and Estonia (3.9%) and the lowest in Cyprus (0.1%). In Slovakia, the price increase accelerated to 1.8% in September from 1.6% in August. In Germany, prices were higher by 1.8% in September (the same as in August). According to preliminary calculations, the HICP in the Czech Republic in **October** went up by 0.5%, **month-on-month**, and by 2.8%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in October 2017** was 1.4%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

\* \* \*

Starting from January 2018, the consumer price indices will be calculated on the base of new introduced ECOICOP classification (European Classification of Individual Consumption by Purpose), which introduces a more detailed breakdown in the consumer basket. This change occurs according to the Regulation (EU) 2016/792 of the European Parliament and of the Council. The structure of publisher indices remains.

Starting from January 2018, the consumer price indices will be counted on updated weights, which will be determined on the base of household expenditure in 2016. These indices will be chained at all levels of the consumer basket with the base period average of 2015 = 100. Thereby, a continuation of the existing index time series, from which indices to other bases will be derived (previous month = 100, corresponding period of the previous 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.

---

<sup>1)</sup> Imputed rentals are excluded from the HICP.