

## FOOD PRICES ROSE

### Consumer price indices – inflation – May 2017

**Consumer prices in May increased compared with April by 0.2%. This development was primarily due to a rise in prices in 'food and non-alcoholic beverages' and 'alcoholic beverages and tobacco'. The year-on-year growth of consumer prices amounted to 2.4%, i.e. 0.4 percentage points up on April.**

The **month-on-month** rise in consumer prices in 'food and non-alcoholic beverages' came from the increase in prices of fruit by 2.5%, pork by 2.6%, bread and cereals by 0.8%, non-alcoholic beverages by 0.9%. In 'alcoholic beverages and tobacco', prices of spirits were higher by 2.5%, wine by 3.2% and tobacco by 0.5%. In 'restaurants and hotels' continued moderate growth of prices in catering services, that amounted to 0.3% in May.

A drop in the price level came primarily from a price decrease in 'transport' due to lower prices of automotive fuel (-1.1%). In 'miscellaneous goods and services', prices of personal care went down by 0.6% and prices of financial services by 1.1%. In 'food and non-alcoholic beverages', prices of vegetables were particularly lower by 7.2%, of which prices of vegetables cultivated for their fruit by 17.1% and prices of potatoes by 11.5%.

Prices of goods in total went up by 0.2% as well as prices of services.

In terms of the **year-on-year** comparison, in May, the consumer prices increased by 2.4%, i.e. 0.4 percentage points up compared with April. The increase in the year-on-year price level in 'food and non-alcoholic beverages' was caused by acceleration in the price growth for many kinds of food. Prices of rolls and baguettes rose by 9.5% (8.4% in April), meat by 5.6% (3.5% in April), milk by 5.2% (2.0% in April), cheese by 14.3% (12.7% in April), yoghurts by 8.8% (8.1% in April), oils and fats 8.9% (7.7% in April), fruit by 4.3% (0.1% in April). The acceleration in the y-o-y price growth came also from the prices in 'alcoholic beverages and tobacco', where the decreasing influence of prices of spirits slowed down to 0.7% (-4.1% in April). In 'clothing and footwear', the prices of garments turned from a drop by 0.4% in April to 0.2% growth in May and prices of shoes and other footwear accelerated to 4.3% (3.3% in April). In 'housing, water, electricity, gas and other fuels', year-on-year decrease in prices of natural gas decelerated in May to -0.8% (-7.1% in April), due to particular m-o-m price drop in May 2016. In 'transport', prices of automotive fuel slowed down to 7.8% (12.6% in April).

The biggest influence on the growth of the y-o-y price level in May came from prices in 'food and non-alcoholic beverages'. Prices of eggs went up by 17.5%, butter by 16.4%, sugar by 19.6%. Next in order of influence were prices in 'housing, water, electricity, gas and other fuels', where prices of the net actual rentals rose by 2.7%, water supply by 1.2%, sewerage collection by 0.4%, electricity by 0.3%, solid fuels by 5.3%. The rise in the price level came also from prices in 'transport' (a growth by 4.1%) and in 'restaurants and hotels', where prices of catering services went up by 6.3% and prices of accommodation services by 2.2%.

A reduction in the price level came from the price decrease in 'furnishings, household equipment and routine household maintenance' (-0.2%) and in 'communication' (-0.1%). In 'housing, water, electricity, gas and other fuels', prices of heat and hot water went down (-2.3%).

Prices of goods in total went up by 2.2% and prices of services by 2.8%. The overall consumer price index excluding imputed rentals was 102.3%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to May 2017 compared with the average CPI in the previous twelve months, amounted to 1.5% in May.

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 2.0% **in April**, i.e. 0.4 percentage points more than in March. The rise in prices was the highest in Estonia (3.6%) and Lithuania (3.5%) and the lowest in Romania (0.6%). In Slovakia, the price increase decelerated to 0.8% in April from 1.0% in March. In Germany, prices rose by 2.0% (1.5% in March). According to preliminary calculations, the HICP in the Czech Republic **in May** rose by 0.2%, **month-on-month**, and by 2.5%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in May 2017** was 1.4%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

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The new index time series with the base year 2015 = 100 has been introduced since January 2017. The indices to other bases are calculated from these time series (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). Indices calculated from existing index time series with the base year 2005 = 100 remain valid. The already published data are not revised. The original time series with base year 2005 = 100 are calculated and published, but other indices using these time series are no longer derived.

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