

PRICE LEVEL WAS UNCHANGED ON A MONTH-ON-MONTH BASIS AGAIN

Consumer price indices – inflation – April 2017

Consumer prices in April remained at the same level for the third month (monthly change 0.0%). A growth of prices in 'clothing and footwear' was offset by a decrease in prices in 'food and non-alcoholic beverages' and 'alcoholic beverages and tobacco'. The year-on-year growth of consumer prices amounted to 2.0%, i.e. 0.6 percentage points down on March.

The **month-on-month** rise in consumer prices in 'clothing and footwear' came from the increase in prices of garments by 3.4% and shoes and other footwear by 6.7%. In 'miscellaneous goods and services', prices of personal care were primarily higher by 1.4%. In 'food and non-alcoholic beverages', prices of pork rose especially by 2.0%, bread and cereals by 0.4% and potatoes by 2.9%.

A drop in the price level came primarily from a price decrease in 'alcoholic beverages and tobacco' due to lower prices of spirits and wine (-2.8% and -4.6%, respectively). In 'food and non-alcoholic beverages', prices of fruit were particularly lower by 3.2% and prices of vegetables by 1.4%, of which prices of vegetables cultivated for their fruit by 9.7%. Prices of non-alcoholic beverages dropped by 1.4%, poultry by 2.6%, cheese by 0.9%, butter by 2.7%. The price decrease in 'recreation and culture' was primarily influenced by lower prices of package holidays by 1.9%.

Prices of goods in total remained unchanged compared with March and prices of services increased by 0.2%.

In terms of the **year-on-year** comparison, in April, the consumer prices increased by 2.0%, i.e. 0.6 percentage points down compared with March. This slowdown in the year-on-year growth of prices was caused especially by prices in 'alcoholic beverages and tobacco', where prices of alcoholic beverages turned from a 1.7% growth in March to decline by 4.1% in April (partly due to their month-on-month increase in April 2016). A slowdown in the overall price level came also from the lower year-on-year growth of prices in 'food and non-alcoholic beverages', by 3.6% (4.4% in March). Prices of cheese were higher by 12.7% in April (16.4% in March), prices of butter by 17.9% (21.7% in March), prices of fruit by 0.1% (2.4% in March) and prices of sugar by 20.0% (25.5% in March). Prices of non-alcoholic beverages turned from a price rise by 2.2% in March in a drop by 0.2% in April. In 'transport', prices of automotive fuel slowed down to 12.6% (16.8% in March).

The biggest influence on the growth of the y-o-y price level in April came from prices in 'food and non-alcoholic beverages'. Prices of bread and cereals went up by 4.7% in April, pork by 11.1%, eggs by 18.9% and potatoes by 15.0%. Next in order of influence were prices in 'transport' (a rise by 5.5%). In 'restaurants and hotels', prices of catering services went up by 6.3% and prices of accommodation services by 1.5%. The rise in the price level came also from prices in 'housing, water, electricity, gas and other fuels', where prices of the net actual rentals rose by 2.6%, electricity by 0.3%, solid fuels by 5.9%. In 'miscellaneous goods and services', prices of personal care and prices of insurance were higher (3.3% and 3.7%, respectively).

A reduction in the price level came from the price decrease in 'alcoholic beverages and tobacco' (-0.1%). In 'housing, water, electricity, gas and other fuels', prices of natural gas and prices of heat and hot water went down (-7.1% and -1.5%, respectively).

Prices of goods in total went up by 1.7% and prices of services by 2.8%. The overall consumer price index excluding imputed rentals was 101.9%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to April 2017 compared with the average CPI in the previous twelve months, amounted to 1.3% in April.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices** (HICP)¹⁾ in the **EU28 member states** amounted to 1.6% **in March**, i.e. 0.4 percentage points less than in February. The rise in prices was the highest in Latvia (3.3%) and Lithuania (3.2%) and the lowest in Romania (0.4%). In Slovakia, the price increase decelerated to 1.0% in March from 1.2% in February. In Germany, prices rose by 1.5% (2.2% in February). According to preliminary calculations, the HICP in the Czech Republic **in April** rose by 0.1%, **month-on-month**, and by 2.1%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in April 2017** was 1.9%, 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.

¹⁾ So far, imputed rentals have been excluded from the HICP.