# AUTOMOTIVE FUEL PRICES CONTINUED TO FALL

Consumer price indices – inflation – June 2017

**Consumer prices in June remained unchanged compared with May (month-on-month change 0.0%). The growth of prices in 'recreation and culture' and 'food and non-alcoholic beverages' was offset by a reduction in prices in 'transport' and also in 'clothing and footwear'. The year-on-year growth of consumer prices amounted to 2.3%, i.e. 0.1 percentage point down on May.**

The **month-on-month** rise in consumer prices in 'recreation and culture' came from higher prices of package holidays by 4.1%. In 'food and non-alcoholic beverages', prices of yoghurts went primarily up by 6.1%, milk by 2.8% and meat by 0.6%. The price of fresh butter went up by 12.0% and reached its highest value ever (187.47 CZK per kilogram).

A drop in the price level came primarily from a price decrease in 'transport', in which the decline in automotive fuel prices continued for the fourth month and amounted to 1.9% in June. The average price of unleaded petrol 95 (30.01 CZK per litre) in June was the lowest since December 2016. The price of diesel oil (28.99 CZK per litre) was the lowest since November 2016. In 'clothing and footwear', prices of garments went down by 1.7% and prices of shoes and other footwear by 0.8% In 'food and non-alcoholic beverages', prices of vegetables were particularly lower by 4.7%, of which prices of vegetables cultivated for their fruit by 15.4%.

Prices of goods in total went down by 0.2%, while prices of services rose by 0.4%.

In terms of the **year-on-year** comparison, in June, the consumer prices increased by 2.3%, i.e. 0.1 percentage point down compared with May. This development was due to both the slowdown in the price increase in 'transport' as well as in 'clothing and footwear' and the acceleration in the y-o-y price rise in 'food and non-alcoholic beverages'. A deceleration in the y-o-y price increase in 'transport' was influenced by prices of automotive fuel, which slowed down the rise to 1.7% (7.8% in May). In 'clothing and footwear', prices of garments turned to a drop by 0.5% in June from a growth by 0.2% in May and prices of shoes and other footwear slowed down their rise to 3.5% (4.3% in May). The increase in the price level in 'food and non-alcoholic beverages' was due to the acceleration in the price growth for many kinds of food. Prices of bread and cereals were higher by 5.8% (5.1% in May), eggs by 23.6% (17.5% in May), milk by 10.4% (5.2% in May), cheese by 15.9% (14.3% in May), yoghurts by 13.5% (8.8% in May), fresh butter by 42.6% (21.3% in May) and sugar by 21.2% (19.6% in May).

The biggest influence on the growth of the y-o-y price level in June came from prices in 'food and non-alcoholic beverages' (an increase by 5.4%). Next in order of influence were prices in 'housing, water, electricity, gas and other fuels', where prices of the net actual rentals rose by 2.6%, water supply by 1.2%, sewage collection by 0.4%, electricity by 0.3%, solid fuels by 5.0%. The rise in the price level came also from prices in 'restaurants and hotels', where prices of catering services went up by 6.4% and prices of accommodation services by 2.6%. In 'transport', prices rose by 2.2%.

A reduction in the price level came from the price decrease in 'furnishings, household equipment and routine household maintenance' (–0.4%) and in 'communication', where prices of mobile phones declined by 14.1%. In 'housing, water, electricity, gas and other fuels', prices of heat and hot water and prices of natural gas were lower (–2.2% and –0.8%, respectively).

Prices of goods in total went up by 2.0% and prices of services by 3.1%. The overall consumer price index excluding imputed rentals was 102.2%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to June 2017 compared with the average CPI in the previous twelve months, amounted to 1.7% in June.

According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices** (HICP)[[1]](#footnote-1)) in the **EU28 member states** amounted to 1.6% **in May,** i.e. 0.4percentage points less than in April. The rise in prices was the highest in Estonia (3.5%) and Lithuania (3.2%), while the y-o-y growth of prices in Ireland was zero. In Slovakia, the price increase accelerated to 1.1% in May from 0.8% in April. In Germany, prices rose by 1.4% (2.0% in April). According to preliminary calculations, the HICP in the Czech Republic **in June** was0.0%, **month-on-month,** and rose by 2.4%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** **in June 2017** amounted to 1.3%, y-o-y, as Eurostat announced (more information on the Eurostat’s web pages: [**HICP**](http://ec.europa.eu/eurostat/web/hicp/data/main-tables).)

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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. ) Imputed rentals are excluded from the HICP. [↑](#footnote-ref-1)