# Year-on-year price growth of consumer prices accelerated

## Consumer price indices – inflation – November 2019

Consumer prices in November increased by 0.3% compared with October. This development came primarily from a price increase in ‘food and non-alcoholic beverages’ and in 'housing, water, electricity, gas and other fuels'. The year-on-year growth of consumer prices accelerated to 3.1% in November, which was 0.4 percentage points up on October. It was the highest year-on-year price growth since October 2012.

**Month-on-month comparison**

Price growth in ‘food and non-alcoholic beverages’ was caused mainly by higher prices of vegetables by 4.5%, fruit by 3.4%, pork by 4.1%, cheese and curd by 2.0%, sausages and smoked meat by 1.4% and sugar by 11.3%. In 'housing, water, electricity, gas and other fuels' prices of electricity were mainly higher by 1.4%.

The decrease in overall consumer price level in November came primarily from price drop in ‘communication’, where prices of telephone and telefax services were lower by 2.2%. In ‘transport’, prices of fuels and lubricants for personal transport equipment dropped by 0.6%. The average price of petrol Natural 95 (after five months of decrease) reached value CZK 31.95 per litre and so it was the lowest since March 2019. In food, especially prices of non-alcoholic beverages were lower by 1.6% and prices of oils and fats by 3.3%.

Prices of goods in total went up by 0.4% and prices of services remained unchanged compared with October.

**Year-on-year comparison**

In terms of the year-on-year comparison, in November, the consumer prices increased by 3.1%, i.e. 0.4 percentage points up on October. This acceleration in the year-on-year price rise came primarily from the prices in 'food and non-alcoholic beverages', partially due to their month-on-month decrease in November 2018. Prices of many kinds of food turned from a price decrease in October to the rise or their growth accelerated. Prices of flour were higher by 7.1% (decrease by 0.2% in October) and sugar by 13.6% (decrease by 6.9% in October). Prices of pork grew up by 13.3% (5.7% in October), sausages and smoked meat by 10.2% (8.4% in October), fruit by 16.2% (5.3% in October), vegetables by 11.8% (2.5% in October). Slowdown in the year-on-year price growth occurred in ’alcoholic beverages and tobacco’, where prices of spirits were higher by 2.2% (4.1% in October).

The biggest influence on the growth of the year-on-year price level in November came again from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing went up by 3.8%, water supply and sewage collection identically by 2.6%, electricity by 11.5%, natural gas by 3.4%, solid fuels by 1.0%, heat and hot water by 4.0%. Next in order of influence were prices in ‘food and non-alcoholic beverages’, where prices of meat were higher by 7.8%, yoghurts by 5.7% and potatoes by 23.5%. The impact on the price level increase had also prices in ‘restaurants and hotels‘, where prices of catering services increased by 4.8% and prices of accommodation services by 3.3%.

A reduction in the price level in November came again from prices in ‘communication’, mainly due to prices of telephone and telefax services, which were lower by 4.1%. Prices in 'clothing and footwear' decreased by 0.8% and prices in ‘transport’ by 0.1%.

Prices of goods in total and services went up (2.9% and 3.7%, respectively). The overall consumer price index excluding imputed rentals for housing was 103.1%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to November 2019 compared with the average CPI in the previous twelve months, amounted to 2.7% in November.

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 1.1% **in October,** (0.1 percentage points down on September).The rise in prices was the highest in Romania (3.2%). On the other hand, the decrease occurred in 3 EU countries, of which the largest in Cyprus (–0.5%). In Slovakia, prices were higher by 2.9% in October (3.0% in September). In Germany, prices increased by 0.9% as in September. According to preliminary calculations, the HICP in the Czech Republic **in November** rose by 0.1% **month-on-month** and by 3.0%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** **in November 2019** amounted to1.0%, 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).)

\* \* \*

Starting from January 2020, the consumer price indices will be counted on updated weights, which will be determined on the base of household expenditure in 2018. 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.

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