

AVERAGE INFLATION RATE STOOD AT 2.8% IN 2019

Consumer price indices – inflation – December 2019

Consumer prices in December increased by 0.2% compared with November. This development came primarily from a price increase in 'food and non-alcoholic beverages'. The year-on-year growth of consumer prices accelerated to 3.2% in December, which was 0.1 percentage points up on November. The average inflation rate for 2019 as a whole was 2.8%.

Month-on-month comparison

Price growth in 'food and non-alcoholic beverages' was caused mainly by higher prices of vegetables by 4.4%, of which prices of potatoes grew by 7.5%. Prices of non-alcoholic beverages were higher by 2.5%, pork by 3.1%, fruit by 1.3% and UHT semi skimmed milk by 3.4%. In 'housing, water, electricity, gas and other fuels' prices of electricity were mainly higher by 0.8%. Price development in 'transport' was affected by higher prices of motor cars by 0.9%.

The decrease in overall consumer price level in December came primarily from a price drop in 'alcoholic beverages, tobacco', where prices of wine were lower by 2.6% and prices of spirits by 1.2%. In 'miscellaneous goods and services', mainly prices of goods and services for personal care dropped by 1.3%. In food, prices of yoghurt were lower by 6.5%, cheese and curd by 1.0%, oils and fats by 1.5%.

Both prices of goods in total and prices of services went up by 0.2%.

Year-on-year comparison

In terms of the year-on-year comparison, in December, the consumer prices increased by 3.2%, i.e. 0.1 percentage points up on November. Acceleration in the year-on-year price rise occurred in 'alcoholic beverages, tobacco', where prices of spirits went up by 4.0% (2.2% in November). Price development in 'transport' was affected by a slowdown in price decrease of fuels and lubricants for personal transport equipment. They were lower by 1.2% in December (4.3% in November). Deceleration in year-on-year price growth occurred in 'food and non-alcoholic beverages'. Prices of fruit were higher by 11.1% (16.2% in November), vegetables by 4.3% (11.8% in November), of which prices of potatoes were higher by 2.4%, year-on-year (23.5% in November). Prices of yoghurt turned from a growth by 5.7% in November to a decrease by 0.2% in December.

The biggest influence on the growth of the year-on-year price level in December came again from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing went up by 3.7%, water supply and sewage collection identically by 2.6%, electricity by 12.3%, natural gas by 3.0%, heat and hot water by 4.0%. Second in order of influence were prices in 'food and non-alcoholic beverages', where prices of pork were higher by 17.4%, dried, salted or smoked meat by 9.7%, UHT semi skimmed milk by 5.1%, cheese and curd by 2.9%, sugar by 17.9%. 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 December came again from prices in 'communication', mainly due to prices of telephone and telefax services, which were lower by 4.3%.

Prices of goods in total and services went up (3.1% and 3.6%, respectively). The overall consumer price index excluding imputed rentals for housing was 103.1%, year-on-year.

The **average inflation rate** as measured by the increase in the average consumer price index in the twelve months 2019 compared with the average CPI in the twelve months 2018 was 2.8%, i.e. 0.7 percentage points up on 2018. It was the second highest average inflation rate in the previous 11 years (higher inflation rate was only 3.3% in 2012). Prices of goods in total rose by 2.3% and prices of services by 3.7%.

(A summary of the development of the consumer price index in 2019 is a part of the Q4 analysis, which is released at the same time.)

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 **1.3% in November**, (0.2 percentage points up on October). The rise in prices was the highest in Romania (3.8%) and the lowest in Italy and Portugal (both 0.2%). In Slovakia, prices were higher by 3.2% in November (2.9% in October). In Germany, prices increased by 1.2% (0.9% in October). According to preliminary calculations, the HICP in the Czech Republic **in December** rose by 0.2% **month-on-month** and by 3.2%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in December 2019** amounted to 1.3%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#)).

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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.