

PRICES OF FOOD INCREASED THE CONSUMER PRICE INDEX YEAR-ON YEAR

Consumer price indices – inflation – July 2019

Consumer prices in July increased by 0.4% compared with June. This development came primarily from prices increase in 'recreation and culture'. The year-on-year growth of consumer prices accelerated to 2.9% in July, which was 0.2 percentage points up on June.

The **month-on-month** rise in consumer prices in 'recreation and culture' came primarily from price increase in seasonal prices of package holidays by 24.8%. In 'housing, water, electricity, gas and other fuels', prices of actual rentals for housing went up by 0.5%. In 'miscellaneous goods and services', prices of financial services went up by 2.3%. The price rise in 'restaurants and hotels' was influenced by price increases of catering services by 0.3% and accommodation services by 1.3%. In food, especially prices of bread and cereals went up by 0.6% and prices of pork by 1.5%.

The decrease in overall consumer price level in July came from prices in 'food and non-alcoholic beverages'. Prices of vegetables were lower by 3.9%, of which prices of potatoes dropped by 15.6% (after nine months of growth) and reached value CZK 22.60 per kg. Prices of fruit went down by 2.6%, prices of oils and fats by 2.5%, poultry by 1.4%. In 'clothing and footwear', prices of garments and prices of shoes and other footwear went down identically by 2.5%.

Prices of goods in total went down by 0.5%, whereas prices of services went up by 1.7%.

In terms of the **year-on-year** comparison, in July, the consumer prices rose by 2.9%, i.e. 0.2 percentage points up on June. This development was affected mainly by prices in 'food and non-alcoholic beverages', where a number of foods accelerated year-on-year price growth. Prices of vegetables were higher by 34.1% in July (22.7% in June), of which prices of potatoes were higher by 65.7% (51.7% in June). Prices of meat went up by 4.5% (3.9% in June), sausages and smoked meat by 7.0% (5.0% in June), cheese and curd by 5.0% (3.0% in June). In 'restaurants and hotels', prices of catering services accelerated to 4.5% (4.4% in June). In 'transport', the drop in prices of fuels and lubricants for personal transport equipment deepened, which was by 1.4% lower in July (0.3% in June) year-on-year.

The biggest influence on the growth of the y-o-y price level in July came, as before, from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing went up by 4.0%, water supply and sewage collection identically by 2.6%, electricity by 10.4% and natural gas by 3.6%. Second in order of influence were prices in 'food and non-alcoholic beverages' (increase by 4.1%). The impact on the price level increase had also prices in 'restaurants and hotels' (increase by 4.2%). In 'miscellaneous goods and services', prices of insurance rose by 4.2% and prices of financial services by 5.6%.

A reduction in the price level in July came from prices in 'clothing and footwear' due to prices of garments, which were lower by 3.0%. In 'transport', prices dropped by 0.7% and in 'communication' by 1.4%.

Prices of goods in total and services went up (2.4% and 3.8%, respectively). The overall consumer price index excluding imputed rentals for housing was 102.7%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to July 2019 compared with the average CPI in the previous twelve months, amounted to 2.6% in July.

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 June** as well as in May. The rise in prices was the highest in Romania (3.9%) and the lowest price increase was in Greece (0.2%). Prices in Slovakia were higher by 2.7% in May and June. In Germany, prices increased by 1.5% (1.3% in May). According to preliminary calculations, the **month-on-month** change in the HICP in the Czech Republic **in July** amounted to 0.4% and the **year-on-year** growth was 2.6%. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone in July 2019** amounted to 1.1%, y-o-y, as Eurostat announced (more information on the Eurostat's web pages: [HICP](#).)

¹⁾ Imputed rentals are excluded from the HICP.