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Development of consumer price indices in the Q3 2019

The total consumer price level increased by 0.6% in the Q3 2019 compared to the Q2 2019. Consumer prices increased by 2.8% in the Q3 2019, year-on-year (y-o-y), the same as in the Q2.

The quarter-on-quarter (q-o-q) development of consumer prices in the Q3 2019 was influenced by a price increase in most of the divisions of the consumer basket. It was the highest in 'recreation and culture' and in 'housing, water, electricity, gas and other fuels'. In 'recreation and culture', prices of package holidays rose by 21.4%. In 'housing, water, electricity, gas and other fuels', prices of electricity rose by 0.4% and prices of heat energy by 0.3%. Prices of natural gas and town gas remained unchanged. Prices of actual rentals for housing rose by 1.5%. In 'food and non-alcoholic beverages', prices of bread and cereals and prices of meat went up (+0.3% and +3.3%, respectively). Prices of oils and fats decreased by 1.1%, prices of fruit dropped by 1.3%, and prices of vegetables went down by 9.0%, of which potatoes by 21.7%. Mainly a decrease in prices in 'clothing and footwear', where prices of garments and prices of shoes and footwear went down (–3.1% and –2.6%, respectively), had an influence in the opposite direction, i.e. on the price level reduction. In 'transport', prices of fuels and lubricants for personal transport equipment dropped (−1.0%). The average month-on-month change in the total consumer price index was 0.0% in the Q3 2019; it was 0.3% in the Q2 2019.

 Consumer price indices (previous quarter = 100)

|  |  |  |
| --- | --- | --- |
|  | 2018 | 2019 |
| DIVISION | Q3 | Q4 | Q1 | Q2 | Q3 |
| TOTAL | 100.6 | 100.2 | 101.2 | 100.7 | 100.6 |
| Food and non-alcoholic beverages | 99.0 | 100.7 | 101.8 | 101.0 | 100.0 |
| Alcoholic beverages and tobacco | 100.1 | 100.4 | 102.0 | 99.3 | 100.2 |
| Clothing and footwear | 96.6 | 103.0 | 96.3 | 102.3 | 97.0 |
| Housing, water, electricity, gas and other fuels | 101.1 | 101.0 | 102.3 | 101.1 | 100.6 |
| Furnishings, household equipment and routine household maintenance | 100.2 | 100.3 | 100.1 | 100.5 | 100.5 |
| Health | 100.9 | 99.8 | 101.2 | 101.6 | 100.4 |
| Transport | 100.8 | 99.2 | 99.0 | 101.9 | 99.8 |
| Communication | 99.7 | 99.9 | 99.5 | 99.6 | 99.5 |
| Recreation and culture | 103.8 | 95.7 | 103.0 | 98.7 | 104.5 |
| Education | 100.8 | 101.3 | 100.1 | 100.0 | 101.2 |
| Restaurants and hotels | 100.8 | 101.0 | 100.9 | 101.2 | 101.3 |
| Miscellaneous goods and services | 101.1 | 100.8 | 101.2 | 101.0 | 100.6 |

Consumer prices rose by 2.8%, **year-on-year** (y-o-y), in **the Q3 2019 compared to the Q3 2018**, i.e. the same as in the Q2 2019. This development was influenced by a different price growth dynamics in individual divisions of the consumer basket. Price growth accelerated mainly in the division of 'food and non-alcoholic beverages' and in ‘recreation and culture’. Slower price increases occurred mainly in 'housing, water, electricity, gas and other fuels'. In **'transport'**, the growth of prices changed to a decrease.

Changes in the development of prices in the Q3 2019 caused the acceleration in the y-o-y growth of market prices by 2.6% (2.4% in the Q2 2019). A rise in regulated prices slowed down to 4.3% in the Q3 2019 from 4.5% in the Q2 2019.

The biggest influence on the growth of the consumer price level came from prices in 'food and non-alcoholic beverages', where prices of bread and cereals rose by 4.1%. Prices of bread went up by 4.1% and prices of other bakery products by 4.2%. Prices of vegetables were higher by 26.1% (27.4% in the Q2 2019); prices of potatoes increased by 48.2% (in the Q2 2019 it was by 68.5%). Prices of meat rose by 5.1%, of which prices of pork by 6.1%. Prices of fish and seafood went up by 3.3%. Prices in the group of milk, cheese and eggs increased by 0.9%, prices of eggs went down by 11.9% and prices of UHT semi skimmed milk by 2.2%. Prices of cheese and curd went up by 3.4%.

Prices of non-alcoholic beverages went down by 0.8%, of which coffee prices by 3.6%. Prices of sugar dropped by 14.8% (–27.0% in the Q2 2019). Prices of fruit went down by 6.3% (–8.5% in the Q2 2019). Prices of oils and fats were lower by 6.7%, of which butter prices by 12.6%.

\* Seasonal food includes fish and seafood, fruit and vegetables.

In '**recreation and culture**', prices of package holidays increased by 7.0% (4.7% in the Q2 2019).

In '**restaurants and hotels**', prices increased in catering services by 4.8% (in the Q2 2019 it was by 4.2%) and prices of accommodation services by 2.5% (2.6% in the Q2 2019).

In 'alcoholic beverages and tobacco', prices of tobacco products increased by 1.2% (in the Q2 2019 it was 1.7% up). Prices of spirits rose by 3.6%, beer by 2.8%, and wine by 1.1%.

In **'housing, water, electricity, gas and other fuels'**, prices of electricity increased by 10.1% (+11.6% in the Q2 2019) and prices of natural gas and town gas rose by 3.6% (the same as in the Q2 2019). Prices of actual rentals for housing went up by 3.9% and prices of both water supply and sewage collection by 2.6%. Prices of heat energy rose by 5.1%. Imputed rentals for housing (costs of own housing) increased by 4.9% (+5.6% in the Q2).

In '**transport**', prices of fuels and lubricants for personal transport equipment decreased by 2.1% (a growth by 2.4% in the Q2 2019). The price of unleaded petrol *Natural 95* amounted to CZK 32.20 and the price of diesel oil was CZK 31.71 in September.

In 'clothing and footwear', prices of garments went down by 3.1% (–3.2% in the Q2 2019). Prices of shoes and other footwear increased by 2.8% (1.3% in the Q2 2019).

In **'miscellaneous goods and services'**, prices of financial services went up by 5.6%. Prices of personal care increased by 3.4% (4.1% in the Q2 2019).

The aforementioned fluctuations in consumer prices resulted in a rise in prices of **goods in total** by 2.3% and prices of **services** by 3.9%.

**Harmonized index of consumer prices in the EU28**

According to Eurostatdata,they-o-y changeinthe average harmonized index of consumer prices (HICP) in the EU28 was 1.4% in July as well as in August. In the Czech Republic (CR), the y-o-y values of the HICP in July as well as in August were 2.6%. According to preliminary calculations, the HICP in the CR rose by 2.6%, y-o-y, in September. For most of the survey period, the HICP in the CR was higher than the same indicator in the EU; its values in the CR from October to December 2018 were below the EU level for the first time since June 2016. In August, the y-o-y HICP decreased only in Portugal (–0.1%). The highest increase of the HICP of all EU Member States was in Romania in August (+4.1%).

**The development of consumer price index by ECOICOP division:**

**Consumer price indices in Q3 2019**

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