

## ANALYSIS

10 October 2019

### 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.

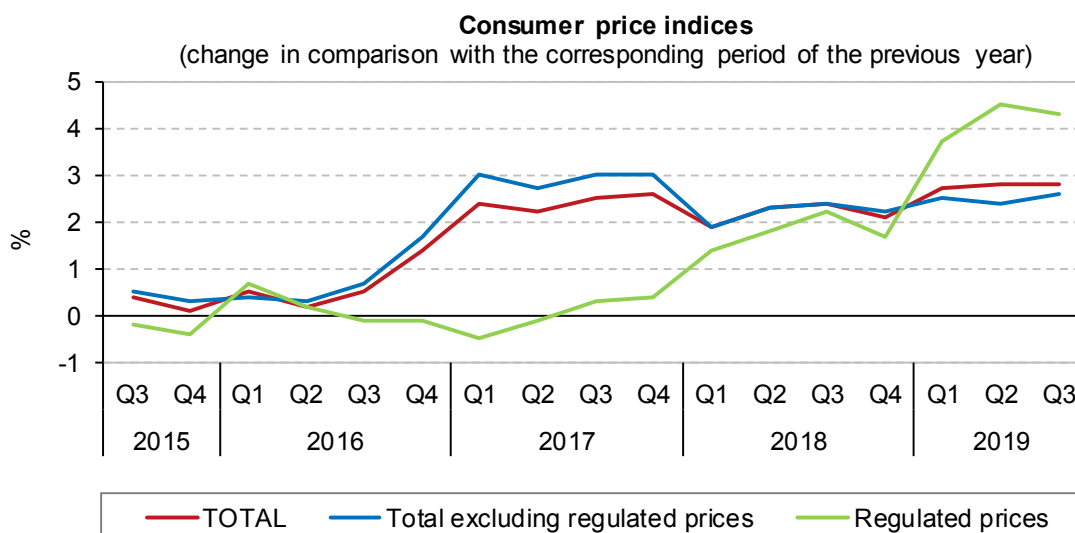
#### Consumer price indices (previous quarter = 100)

DIVISION	2018		2019		
	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

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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.

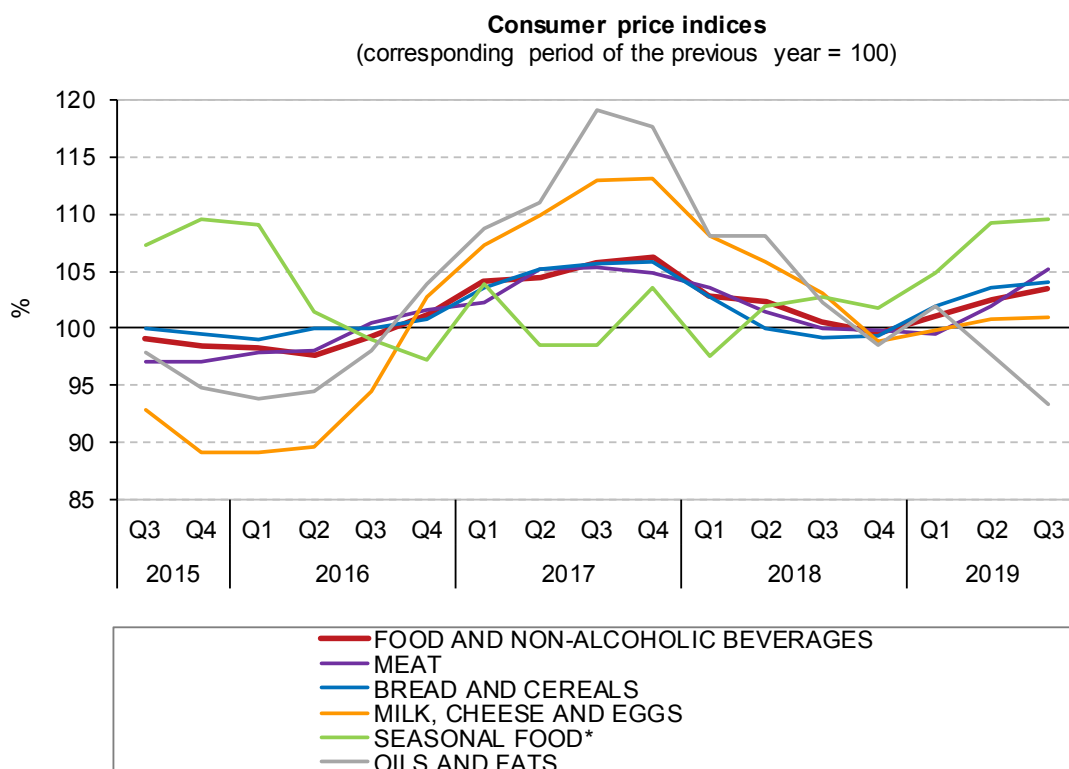
Changes in the development of prices in the Q3 2019 caused the acceleration in the y-o-y growth of market prices by 2.6% (2.4% in the Q2 2019). A rise in regulated prices slowed down to 4.3% in the Q3 2019 from 4.5% in the Q2 2019.



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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.

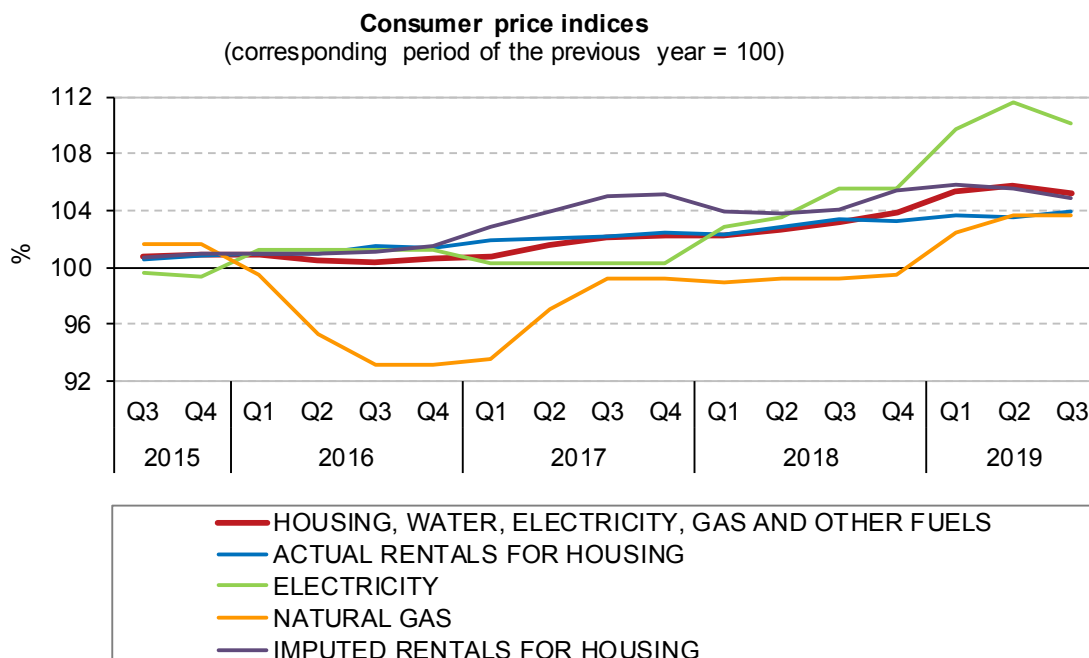
In **'recreation and culture'**, prices of package holidays increased by 7.0% (4.7% in the Q2 2019).

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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).

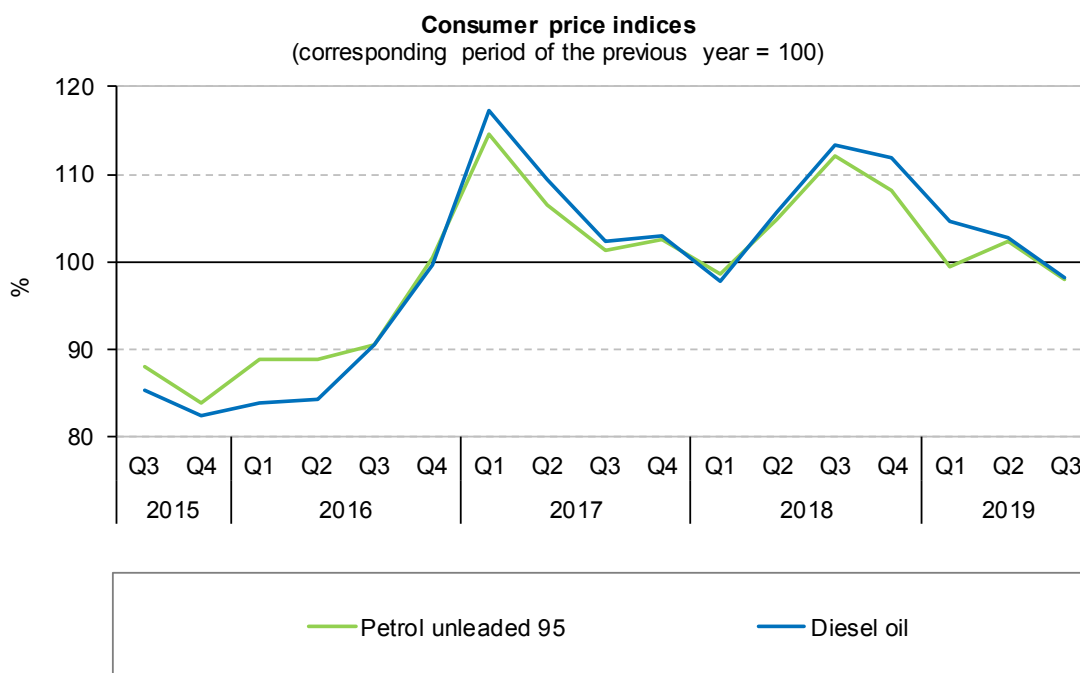
In **'alcoholic beverages and tobacco'**, prices of tobacco products increased by 1.2% (in the Q2 2019 it was 1.7% up). Prices of spirits rose by 3.6%, beer by 2.8%, and wine by 1.1%.

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).



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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.

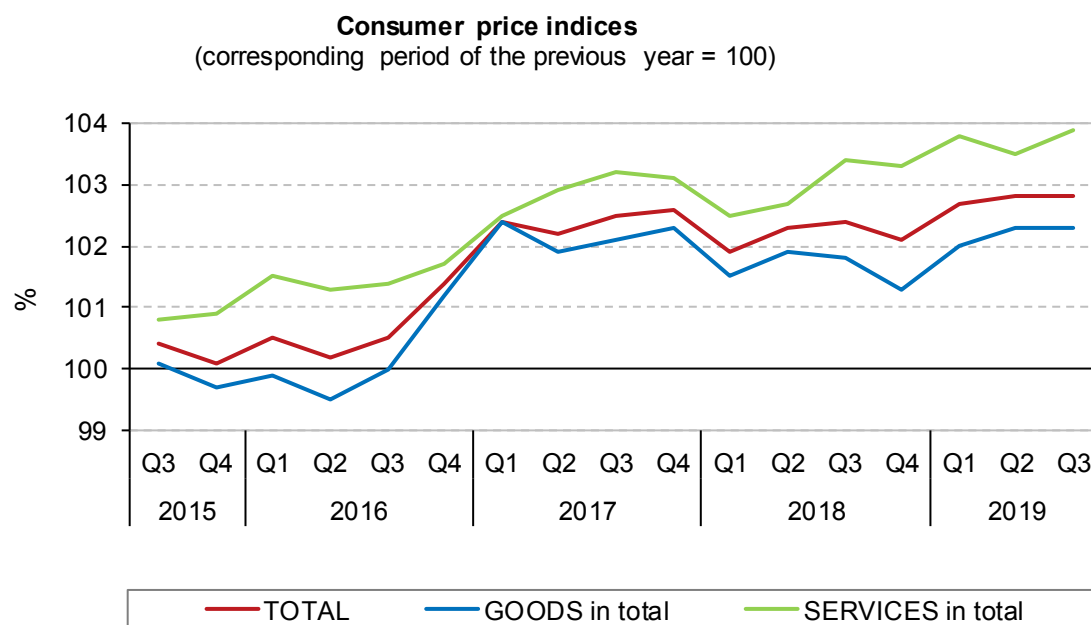


In **'clothing and footwear'**, prices of garments went down by 3.1% (–3.2% in the Q2 2019). Prices of shoes and other footwear increased by 2.8% (1.3% in the Q2 2019).

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).

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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%.

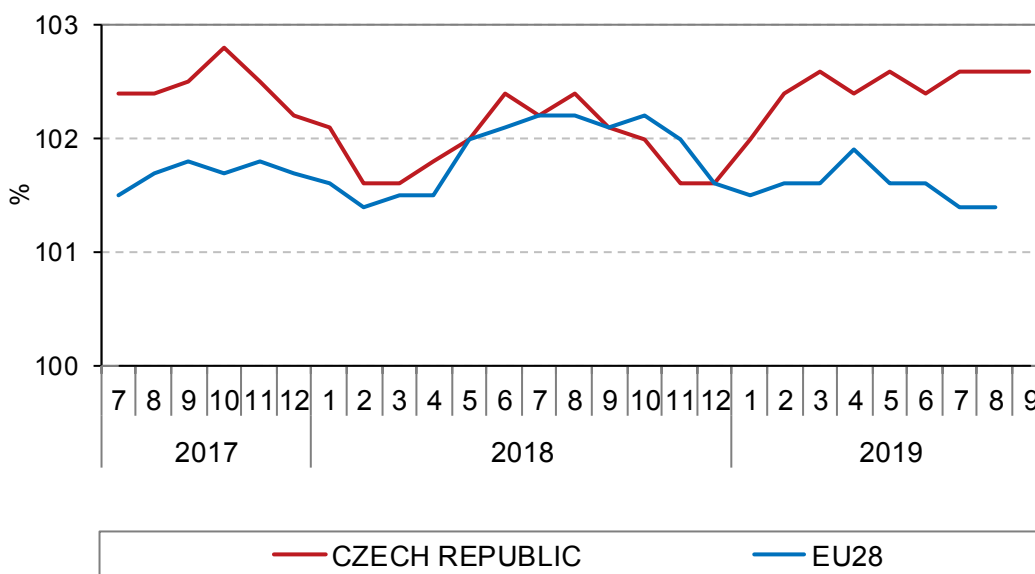


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### Harmonized index of consumer prices in the EU28

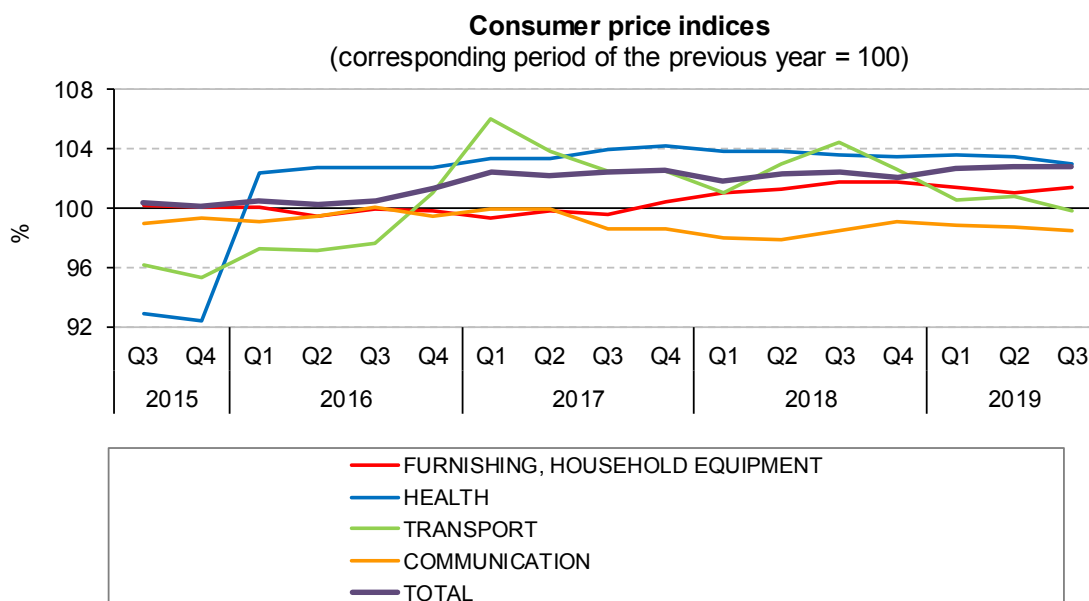
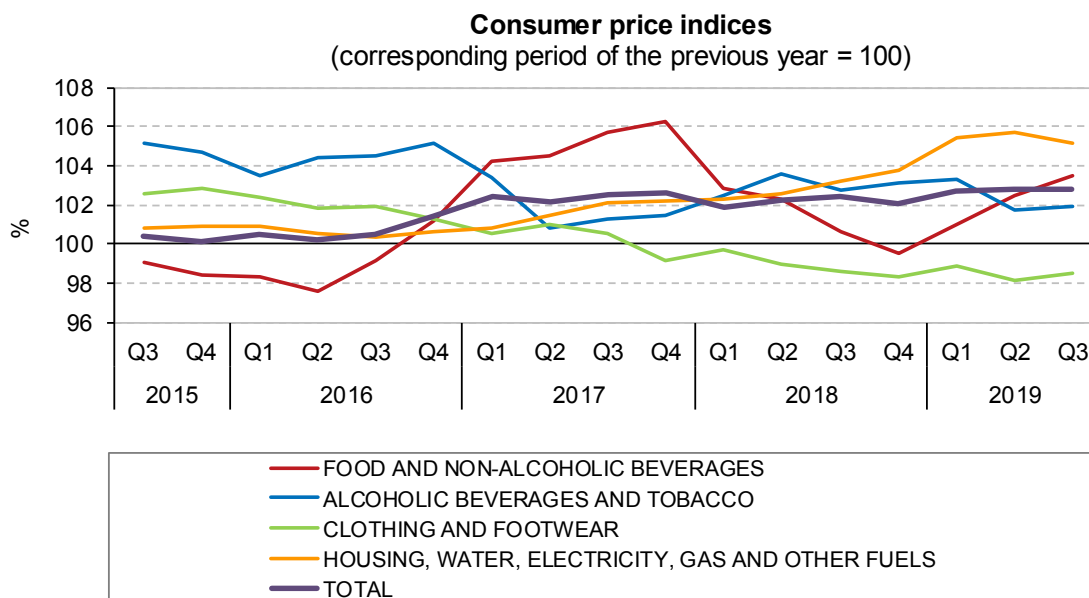
According to Eurostat data, the y-o-y change in the average harmonized index of consumer prices (HICP) in the EU28 was 1.4% in July as well as in August. In the Czech Republic (CR), the y-o-y values of the HICP in July as well as in August were 2.6%. According to preliminary calculations, the HICP in 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%).

**Harmonized indices of consumer prices**  
(corresponding period of the previous year = 100)



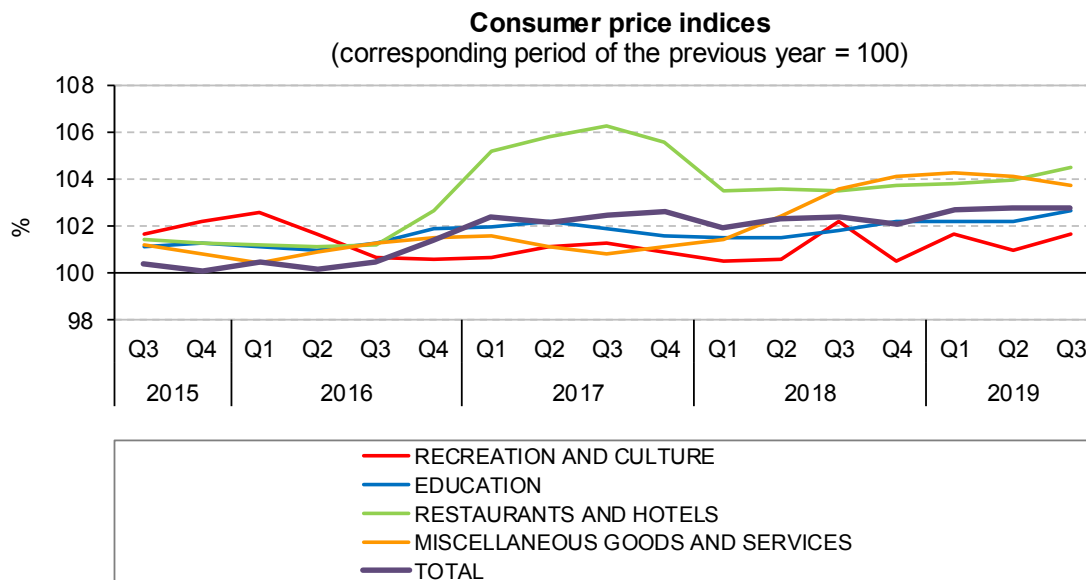
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The development of consumer price index by ECOICOP division:





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### Consumer price indices in Q3 2019

ECOICOP	Division	Constant weights of 2016 per mille	2018		2019						
			Corresponding period of the previous year = 100								
			Q3	Q4	Q1	Q2	July	August	September	Q3	
E00	<b>Total</b>	1000	102.4	102.1	102.7	102.8	102.9	102.9	102.7	102.8	
E01	<b>Food and non-alcoholic beverages</b>	177.6	100.6	99.5	101.0	102.5	104.1	103.9	102.5	103.5	
E01.11	Bread and cereals	28.3	99.1	99.3	102.0	103.5	103.8	103.3	105.3	104.1	
E01.12	Meat	42.1	100.0	99.8	99.5	102.0	104.5	105.3	105.4	105.1	
E02	<b>Alcoholic beverages and tobacco</b>	92.2	102.8	103.1	103.3	101.7	101.2	102.4	102.0	101.9	
E03	<b>Clothing and footwear</b>	41.5	98.6	98.3	98.9	98.1	98.4	98.7	98.4	98.5	
E04	<b>Housing, water, electricity, gas and other fuels</b>	257.2	103.2	103.8	105.4	105.7	105.5	105.2	105.0	105.2	
E04.1	Actual rentals for housing	33.7	103.4	103.3	103.7	103.5	104.0	103.9	103.8	103.9	
E04.510	Electricity	42.7	105.5	105.6	109.7	111.6	110.4	109.9	109.9	110.1	
E04.521	Natural gas and town gas	24.4	99.2	99.5	102.4	103.6	103.6	103.6	103.6	103.6	
E05	<b>Furnishings, household equipment and routine household maintenance</b>	58.1	101.8	101.8	101.4	101.1	101.6	101.2	101.4	101.4	
E06	<b>Health</b>	24.5	103.6	103.5	103.6	103.5	103.1	102.9	103.1	103.0	
E07	<b>Transport</b>	101.7	104.5	102.6	100.6	100.8	99.3	99.7	100.5	99.8	
E07.22	Fuels and lubricants for personal transport equipment	29.1	112.3	109.5	101.3	102.4	98.6	98.1	97.0	97.9	
E08	<b>Communication</b>	28.9	98.5	99.1	98.8	98.7	98.6	98.6	98.4	98.5	
E09	<b>Recreation and culture</b>	86.3	102.2	100.5	101.7	101.0	101.7	101.9	101.5	101.7	
E09.60	Package holidays	19.2	109.7	103.2	107.2	104.7	107.1	107.8	106.0	107.0	
E10	<b>Education</b>	5.7	101.8	102.2	102.2	102.2	102.1	102.1	103.8	102.7	
E11	<b>Restaurants and hotels</b>	59.1	103.5	103.7	103.8	104.0	104.2	104.4	104.8	104.5	
E12	<b>Miscellaneous goods and services</b>	67.2	103.6	104.1	104.3	104.1	103.9	103.6	103.6	103.7	

Elaborated by: experts of the Consumer Prices Statistics Unit of the CZSO

Contact:  
 Jiří Trexler  
 Consumer Prices Statistics Unit of the CZSO  
 E-mail: [jiri.trexler@czso.cz](mailto:jiri.trexler@czso.cz)  
 Phone number: (+420) 274 054 137