# YEAR-ON-YEAR GROWTH OF PRICES SLOWED DOWN MODERATELY

Consumer price indices – inflation – October 2018

**Consumer prices in October increased by 0.4% compared with September. This development came from a price increase in the majority of the consumer basket divisions. The year-on-year growth of consumer prices decelerated to 2.2% in October, which was 0.1 percentage point down on September.**

The **month-on-month** increase in 'clothing and footwear' came from higher prices of garments by 2.6% and prices of shoes and other footwear by 2.2%. In 'food and non-alcoholic beverages', prices of vegetables rose by 5.5% in particular, of which prices of potatoes by 19.4%. The growth of food prices came also from higher prices of chocolate by 4.9%, cheese and curd by 1.4%, bread and cereals by 0.6%, sugar by 7.6%. In 'miscellaneous goods and services', prices of personal care and financial services went up (both by 1.3%). In 'transport', the rise in prices of fuels and lubricants for personal transport equipment continued (1.1% in October). The average prices of petrol *Natural* 95 (CZK 33.41 per litre) and diesel oil (CZK 33.22 per litre) in October were the highest since December 2014. In 'restaurants and hotels', prices of catering services increased by 0.5%.

The decrease in the overall consumer price level in October came mainly from lower prices in 'recreation and culture' due to a drop in prices of package holidays by 0.7%. In food, prices of UHT semi skimmed milk went down by 3.3% and fruit by 5.5%.

Prices of goods in total and prices of services went up (0.5% and 0.4%, respectively).

In terms of the **year-on-year** comparison, in October, the consumer prices increased by 2.2%, i.e. 0.1 percentage point down on September. The deceleration in the year-on-year rise occurred primarily in 'food and non-alcoholic beverages', where prices of many kinds of food turned from a price increase in September to the decline or their growth slowed down. Prices of UHT semi skimmed milk were lower by 4.2% in October (a rise by 1.8% in September), eggs by 0.5% (a growth by 16.4% in September), fruit by 4.1% (an increase by 7.6% in September). Prices of yoghurts rose by 3.9% in October (6.5% in September) and prices of vegetables by 10.3% (13.4% in September).

The biggest influence on the growth of the y-o-y price level came, as before, from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals for housing increased by 3.4%, water supply by 1.8%, sewage collection by 1.3%, electricity by 5.6%, solid fuels by 2.7%. The price growth continued also in 'alcoholic beverages and tobacco', where prices of spirits went up by 1.7%, wine by 2.5%, beer by 4.1%, and tobacco products by 3.6%. The impact on the price level increase had also prices in 'transport', where prices of fuels and lubricants for personal transport equipment rose by 12.2%, year-on-year. In 'miscellaneous goods and services', prices of personal care were higher by 4.0%, insurance by 6.0%, and financial services by 4.3%.

A reduction in the price level in October came from prices in 'clothing and footwear', where prices of garments decreased by 2.4% and prices of shoes and other footwear by 0.9%. The fall in prices continued, although at a slower pace, also in 'communication', due to lower prices of telephone and telefax services by 0.7% in particular. In 'housing, water, electricity, gas and other fuels', prices of natural gas decreased by 0.8%.

Prices of goods in total and services went up (1.7% and 3.2%, respectively). The overall consumer price index excluding imputed rentals for housing was 101.9%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2018 compared with the average CPI in the previous twelve months, amounted to 2.2% in October.

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 2.2% **in September** (the same as inAugust). The rise in prices was the highest in Romania (4.7%) and the lowest price increase was in Denmark (0.5%). In Slovakia, the price rise decelerated to 2.7% in September from 2.9% in August. In Germany, prices were higher by 2.2% (1.9% in August). According to preliminary calculations, the HICP in the Czech Republic **in October** went up by 0.4% **month-on-month** and by 2.0%, **year-on-year**. The MUICP (Monetary Union Index of Consumer Prices) flash estimate for the **Eurozone** **in October 2018** was2.2%, 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).)

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