

## Inflation – consumer price indices in June 2024

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### Inflation returned to a three-year low of 2.1% in June

The prices of food, non-alcoholic beverages, but also beer, wine, and fuel dropped month-on-month, as a result of which June's prices remained at May's level. However, the upcoming summer season has brought an increase in the prices of holiday packages and also water and sewerage. Overall year-on-year inflation continued to be influenced primarily by increases in the prices of goods and less important services in household expenditures, such as alcohol, medical and dental services, and also university fees.

Consumer prices of goods and services in June remained at the May level, the month-on-month price growth has been gradually slowing down since the beginning of the year, and after 5 months it reached zero. Year-on-year inflation has been oscillating around 2% since March of this year. Currently, in June, as in April, it reached 2.1%. It was the lowest inflation value in the last three years.

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#### Month-on-month development - June 2024 compared to May 2024

In June, consumer prices remained unchanged month-on-month on average. The positive impact on the month-on-month level was mainly due to the drop in prices in 3 out of 12 divisions, the main household expenditure groups. In particular, the prices of food with non-alcoholic beverages, transport, and also selected goods from the alcoholic beverages and tobacco division dropped. The prices of apparel and footwear, as well as postal and telephone services, did not change on average month-on-month, while prices in other divisions slightly increased, ranging from 0.1 to 0.7%.

The month-on-month price drop was recorded by the division of **food and non-alcoholic beverages**<sup>1)</sup>, where prices dropped by an average of 0.2%. Meat, mineral waters and soft drinks, as well as vegetables, were cheaper. In **transport**, the fuel prices had the biggest impact on the overall average result, which were lower by 1.7% month-on-month. Compared to May, the prices of beer and wine from the **alcoholic beverages and tobacco** division also dropped.

On the other hand, the approaching period of summer holidays brought about an increase in the prices of holiday packages (by 3.9%) in the field of **recreation and culture**. Goods and services for household maintenance (**furniture and furnishings** division) were also more expensive, and fees for admission interviews for universities (**education**) also increased.

Consumers also paid extra for water and sewerage month-on-month, but the prices for the entire division of **housing and energy** were on average only higher by 0.1% than in May.

#### Year-on-year price development in June 2024 compared to June 2023

In June, year-on-year inflation reached a growth level by 2.1%. Year-on-year prices were higher in 11 out of 12 divisions (household expenditure groups), on average, only goods and services in the recreation and culture division were cheaper than

last year. The year-on-year higher prices in **hotels and restaurants**, as well as other divisions with a lower share in household expenditure had the most significant impact on the value of inflation. But especially in **transport**, further in the field of **alcoholic beverages and tobacco**, and also in **education and healthcare**.

In the field of **transport**, the overall rate of inflation was negatively affected, especially by fuel prices. They were higher by 1.7% year-on-year. The prices of **alcoholic beverages and tobacco** (6.9%) were still higher than last year, as were the services of doctors and dentists in the **health sector** (6.7%). The fourth significant impact at the year-on-year level was the increase in fees for admissions to universities in the field of **education**.

Positive information for consumers was that the most important components of household expenditure, **food and non-alcoholic beverages** and **housing and energy** had approximately the same prices as a year ago. They either contributed minimally to the year-on-year price increase, or even had a dampening effect.

Food prices were higher only by 0.5% year-on-year. Among 9 food groups, 5 were more expensive year-on-year, namely oils and fats, bread and cereals, fish, sugar and confectionery. However, the price increase was only up to 4%.

At the same time, 4 food components became cheaper year-on-year, namely meat, milk, cheese and eggs, and due to seasonality, especially fruits and partly also vegetables.

Among **housing and energy** expenditure, imputed rent and solid fuels were cheaper year-on-year. All energies (gas and electricity) had the same or lower prices than a year ago, except of heat. Other components of housing expenditure were year-on-year more expensive ranging between 1-14%. It mainly concerned the maintenance and repairs of the dwelling, as well as the removal and disposal of waste, as well as water and sewage.

**In total for the first half of 2024**, consumer prices increased by 2.7% year-on-year.

## Development of core and net inflation

In June, the total year-on-year inflation rate was 2.1%, **core inflation** reached 1.8% and **net inflation** reached 2.3%. Month-on-month core inflation remained unchanged and net inflation reached 0.1%.

Core inflation was affected by the price level growth after excluding the impact of changes in regulated prices (e.g. energy prices) and other administrative measures (e.g. tax adjustments, etc.). Net inflation is core inflation without changes in food prices.

Note: The development of consumer price indices is monitored on the base of the universal consumer basket composed of selected types of goods and services with assigned certain weights paid by the population. The scales are revised annually, are currently valid for 2024 and are available in the database of the Statistical Office of the SR. Prices are ascertained in a selected network of stores and service operations during the first 20 days of the reference month throughout the whole territory of the SR.

<sup>1)</sup> from January 2024, price outputs for food and non-alcoholic beverages are processed from a new source – transaction data of retail chains, which replaced traditional field surveys

## Data source: DATAcube. database:

- [Indices of consumer prices in comparison with corresponding period of previous year - monthly \[sp0005ms\]](#)
- [Indices of consumer prices in comparison with the previous month - monthly \[sp0004ms\]](#)
- [Indices of consumer prices - detailed data - monthly \[sp0029ms\]](#)
- [Indices of consumer prices \(December 2000=100\) - monthly \[sp0006ms\]](#)
- [Development of core and net inflation change in comparison with corresponding period of previous year in % - monthly \[sp0008ms\]](#)
- [Development of core and net inflation change in comparison with previous period in % - monthly \[sp0007ms\]](#)
- [Development of core and net inflation change in comparison with December of previous year in % - monthly \[sp0009ms\]](#)
- [The Universal Consumer Basket 2024 \[sp0035rs\]](#)

## Outputs for inflation:

### Change in the methodology of determining consumer prices

From January 2024, the Statistical Office of the SR processes price outputs for **food and non-alcoholic beverages** from a new source - from the so-called **scanner data**, i.e. from the transaction data of business chains. They replaced the traditional field surveys, thus significantly expanding outputs on consumer prices in the mentioned division. The use of data scanners is an important part of the modernization of price statistics while maintaining and increasing its quality.

## Published types of inflation

The Statistical Office of the SR publishes two types of inflation:

- development of consumer prices based on national methodology – Inflation – Consumer Price Indices (the English abbreviation CPI - Consumer Price Index is used)
- development of consumer prices based on internationally harmonized EU methodology - **Harmonized Index of Consumer Prices** (HICP - Harmonized Indices of Consumer Prices)

### National inflation (CPI):

The prices are determined throughout the territory of the SR.

Since January 2024, the Statistical Office of the SR processes price outputs for **food and non-alcoholic beverages** from a new source - from the so-called **scanner data**, i.e. from the transaction data of business chains. Inputs about prices in the mentioned divisions have significantly expanded and contributed to the improvement of statistical outputs. The use of data scanners is an important part of the modernization and improvement of price statistics.

Prices in other fields continue to be obtained directly in the field, in selected stores and retail operations.

The published reference data are for the entire territory of Slovakia and for all types of consumers. However, the Statistical Office of the SR also publishes price increases for specific social groups – for households of employees, pensioners and low-income households. Pensioner inflation expresses the change in consumer prices for pensioner households. The difference between general and pension inflation lies in the weights of goods and services in the consumption basket (COICOP). Detailed data broken down by social groups of the population is published approximately five days after the CPI, current data for May will be available on June 27, 2024 in the DATAcube database chapter: [2. 3. 1. 1 - Consumer price indices](#).

### Internationally harmonized inflation in the EU (HICP)

EU Harmonized Indices of Consumer Prices (HICP) data are published monthly, several days after the national CPI inflation, according to the [First Release Calendar](#) in the DATAcube database chapter: [2. 3. 3 - Harmonized indices of consumer prices \(HICP inflation\)](#).

### Consumption basket - structure of household expenses

The Statistical Office annually revises the weights of expenditure items in the structure of the consumption basket. The published graph of the consumption basket is valid for the year 2024. It shows how much the household spends on specific groups of products and services in everyday life. Weights of expenditure items are an integral part of calculating the inflation rate (increase in consumer prices).

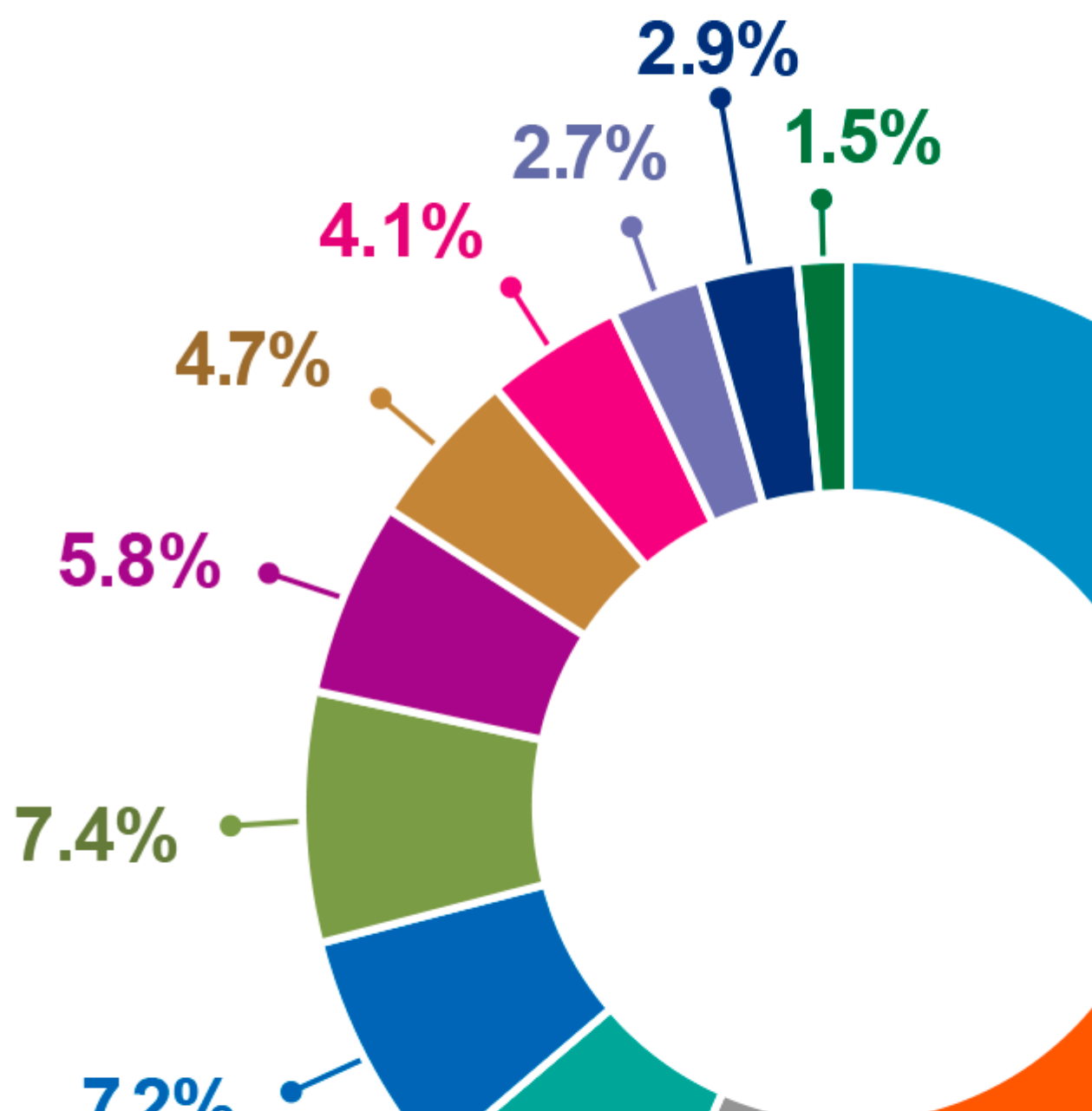
The scales are revised annually.

The Statistical Office of the SR publishes the chart of **Structure of household expenditures**, which presents the consumer basket valid for 2024. It states how much money the household spends on specific expenditure groups of products and services in everyday life. Understanding the structure of household expenditure is an essential part of determining the level of inflation (price growth), because it determines the weights of expenditure items for its calculation.

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