

AVERAGE INFLATION RATE STOOD AT 3.8% IN 2021

Consumer price indices – inflation – December 2021

Consumer prices in December increased by 0.4% compared with November. This development came primarily from higher prices in 'food and non-alcoholic beverages'. The year-on-year growth of consumer prices amounted to 6.6% in December, which was 0.6 percentage points up on November. The average inflation rate for 2021 as a whole was 3.8%.

Month-on-month comparison

Consumer prices in December increased by 0.4%, month-on-month. In 'food and non-alcoholic beverages', mainly prices of bread and cereals were higher by 2.2%, vegetables by 4.6% (of which prices of potatoes increased by 18.3%), cheese and curd by 2.1%, sugar by 10.1% and semi-skimmed UHT milk by 6.0%. Prices of poultry decreased by 3.7%, fruit by 1.9% and eggs by 5.4%. In 'housing, water, electricity, gas and other fuels', prices of natural gas were higher by 1.4%, heat and hot water by 1.1% and solid fuels by 2.5%. Price development in 'transport' was influenced by price rise of motor cars by 2.4% and transport services by 2.2%. Month-on-month price drop in 'alcoholic beverages and tobacco' came from lower prices of wine by 3.6% and spirits by 1.4%.

Prices of goods in total went up by 0.4% and prices of services by 0.5%.

Year-on-year comparison

Consumer prices increased by 6.6% in December, i.e. 0.6 percentage points up on November. Year-on-year price growth **acceleration**¹⁾ occurred mainly in 'food and non-alcoholic beverages', where prices of bread and cereals increased by 6.6% (increase by 3.9% in November), prices in group milk, cheese and eggs by 5.9% (increase by 2.8% in November), sugar by 17.5% (increase by 5.6% in November) and prices of vegetables turned from decrease by 1.6% in November into rise by 13.5% in December, when prices of potatoes accelerated their growth to 18.6% (increase by 5.2% in November). In 'transport', price increase of motor cars continued and reached 10.0% in December (increase by 7.4% in November).

The biggest influence on **the growth of the year-on-year price level** in December came again from prices in 'transport', where prices of fuels and lubricants for personal transport equipment were higher by 29.2%. Next in order of influence were prices in 'housing, water, electricity, gas and other fuels'. Here besides owner occupied housing costs, also prices of actual rentals increased by 3.9%, prices of materials and services for maintenance and repair of the dwelling by 10.3%, prices of water supply and sewage collection identically by 5.5% and prices of solid fuels by 8.9%. Prices of electricity decreased by 15.0% and natural gas by 7.9% mainly as a result of VAT waiver on energy. In 'food and non-alcoholic beverages', prices of oils and fats were higher by 24.7%, year-on-year. In 'alcoholic beverages, tobacco', prices of tobacco products were higher by 10.5%. In 'clothing and footwear', prices of garments were higher by 16.2%.

Imputed rentals (owner occupied housing costs) were higher by 14.7% (increase by 14.3% in November) mainly due to the growth of prices of construction materials and prices of new flats for own housing, and to a lesser extent price growth of construction works. The overall consumer price index excluding imputed rentals for housing was 105.7%, year-on-year. (More information about index of imputed rentals: [Methodological note](#).)

Prices of goods in total and services went up (5.8% and 7.8%, respectively).

¹⁾ **Acceleration/slowdown** of the year-on-year price index growth is difference between current and previous year-on-year index. It therefore depends on the change of current month-on-month index and also on the change of base – month-on-month index (growth/decrease) in the same month of the last year.

Average inflation rate

“Average inflation rate for 2021 was 3.8%. It was 0.6 percentage points up on 2020. It was the highest average inflation rate since 2008. Prices of goods in total rose by 3.5% and prices of services by 4.4%,” noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

(A summary of the development of the consumer price index in 2021 is a part of the Q4 analysis, which is released at the same time.)

Harmonized index of consumer prices (HICP)²⁾

According to preliminary calculations, the HICP in Czechia in **December** went up by 0.3%, **month-on-month** and 5.4%, **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) in **December 2021** amounted to 5.0% year-on-year (4.9% in November), 5.1% in Slovakia and 5.7% in Germany. According to preliminary data of Eurostat, the **year-on-year** change in the average **harmonized index of consumer prices (HICP)** in the **EU27 member states** amounted to 5.2% in **November** (0.8 percentage points up on October). The rise in prices in November was the highest in Lithuania (9.3%) and the lowest in Malta (2.4%).

(More information on the Eurostat's web pages: [HICP](#).)

In December, in comparison with the previous month, the overall consumer price level in **households of pensioners** went up by 0.3%. The biggest influence on this development had the increase of prices in 'food and non-alcoholic beverages' by 0.7%. In this division, prices of vegetables (including potatoes), bread and cereals, sugar, cheese and curd were mainly higher. In 'transport', there was an increase of prices of motor cars and transport services. The increase of prices in 'furnishings, household equipment and routine household maintenance' by 0.7% was caused by higher prices of goods and services for routine household maintenance. The opposite effect on the change in the price level was due to the growth of prices in 'alcoholic beverages, tobacco' by 0.6%. In this division, prices of wine and spirits were lower in particular.

In the capital city of Prague, consumer prices in total increased by 0.6%, month-on-month (0.4% in Czechia). In 'clothing and footwear', prices were higher by 2.4% (1.0% in Czechia). In this division, there was an increase of prices of garments and prices of shoes and other footwear. In 'food and non-alcoholic beverages', prices increased by 0.7% (0.7% also in Czechia), mainly due to higher prices of vegetables (including potatoes), bread and cereals, cheese and curd, sugar. The increase of prices in 'transport' by 0.8% (0.7% in Czechia) was mainly due to higher prices of motor cars and transport services. On the other hand, in Prague there was a decrease in consumer prices in 'alcoholic beverages, tobacco' by 0.8% (a decrease by 0.7% in Czechia). In this division, prices of wine and spirits went down.

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Starting from January 2022, the consumer price indices will be counted on updated weights, which will be determined on the base of household expenditure average in 2019-2021. These indices will be chained at all levels of the consumer basket with the base period average of 2015 = 100. Thereby, a continuation of the existing index time series, from which indices to other bases will be derived (previous month = 100, corresponding period of the previous year = 100 and annual rolling average, i.e. the average of index numbers over the last 12 months to the average for the previous 12 months) will be ensured.

²⁾ Imputed rentals are excluded from the HICP.