

# YEAR-ON-YEAR PRICE GROWTH ACCELERATED AGAIN

## Consumer price indices – inflation – November 2021

Consumer prices in November increased by 0.2% compared with October. This development came mainly from higher prices in 'transport' and in 'food and non-alcoholic beverages' and on the other hand from waiver of VAT on electricity and natural gas prices. The year-on-year growth of consumer prices amounted to 6.0% in November, which was 0.2 percentage points up on October.

### Month-on-month comparison

Consumer prices in November increased by 0.2%, month-on-month. In 'transport', prices of fuels and lubricants for personal transport equipment were higher by 4.4% and motor cars by 1.0%. In 'food and non-alcoholic beverages', prices of vegetables were higher by 4.2% (of which prices of potatoes increased by 8.1%), butter by 12.4%, cheese and curd by 1.7%, fruit by 1.6% and poultry by 2.0%. Price development in 'restaurants and hotels' came mainly from higher prices of catering services by 1.5%. Month-on-month price drop in 'housing, water, electricity, gas and other fuels' was due to lower prices of electricity by 16.2% and natural gas by 11.5%. This consumer price decrease was caused by waiver of VAT on electricity and natural gas prices. The impact of this change on increase of month-on-month overall consumer price index amounted to 1.0 percentage points decrease, according to indicative calculation of CZSO (more information: [Note](#)).

Prices of goods in total went down by 0.4%, whereas prices of services went up by 0.9%.

### Year-on-year comparison

*"Year-on-year price growth came mainly from prices in 'transport'. Prices of motor cars increased by 7.4% and fuels and lubricants for personal transport equipment by 32.8%. E.g. petrol Natural 95 was sold for about CZK 37 per litre at petrol stations in November, which was the highest value since October 2012, so the highest in last 9 years,"* noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

Consumer prices increased by 6.0% in November, i.e. 0.2 percentage points up on October. So year-on-year price growth **accelerated**<sup>1)</sup> for the fifth consecutive time. In 'food and non-alcoholic beverages', prices of butter were higher by 26.8% (increase by 12.7% in October), prices of potatoes turned from decline by 5.4% in October into growth by 5.2% in November and prices of fruit were lower by 1.4% (decrease by 5.5% in October). In 'transport', price increase of motor cars accelerated to 7.4% (increase by 6.3% in October) and fuels and lubricants for personal transport equipment to 32.8% (increase by 26.8% in October). On the other hand, slowdown of price growth occurred in 'housing, water, electricity, gas and other fuels', due to decrease of energy prices. Prices of electricity decreased by 13.6% year-on-year (increase by 3.1% in October) and natural gas by 9.2% (increase by 2.6% in October).

The biggest influence on **the growth of the year-on-year price level** in November came from prices in 'transport' (increase by 13.5%). Next in order of influence (despite its weakening) were prices in 'housing, water, electricity, gas and other fuels'. Here besides owner occupied housing costs, also prices of actual rentals increased by 3.7%, prices of materials and services for maintenance and repair of the dwelling by 9.9%, prices of water supply and sewage collection identically by 5.5% and prices of solid fuels by 6.5%. In 'alcoholic beverages, tobacco', prices of tobacco products were higher by 12.3%. In 'clothing and footwear', prices of garments and shoes and other footwear were identically higher by 12.9%. In 'restaurants and hotels', prices of catering services were higher by 7.6%, year-on-year.

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<sup>1)</sup> **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.

Imputed rentals (owner occupied housing costs) were higher by 14.3% (increase by 12.8% in October) 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 105.0%, year-on-year. (More information about index of imputed rentals: [Methodological note.](#))

Prices of goods in total and services went up (5.0% and 7.5%, respectively).

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to November 2021 compared with the average CPI in the previous twelve months, amounted to 3.5% (3.2% in October).

### **Harmonized index of consumer prices (HICP) <sup>2)</sup>**

According to preliminary calculations, the HICP in Czechia **in November** went down by 0.1%, **month-on-month** and 4.8%, **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in November 2021** amounted to 4.9% year-on-year (4.1% in October), 4.9% in Slovakia and 6.0% 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 4.4% **in October** (0.8 percentage points up on September). The rise in prices in October was the highest in Lithuania (8.2%) and the lowest in Malta (1.4%).

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

In November, in comparison with the previous month, the overall consumer price level in **households of pensioners** decreased by 0.6%. This development was influenced mainly by price decrease in 'housing, water, electricity, gas and other fuels' by 5.9%, which reflected VAT waiver on electricity and natural gas prices. In 'alcoholic beverages, tobacco', prices were lower by 0.3%, where price decrease occurred for spirits and wines. Price rise in 'food and non-alcoholic beverages' by 1.1% had the opposite effect on the change in the price level. Especially prices of vegetables including potatoes, butter, bread and cereals rose in this division.

**In the capital city of Prague**, the consumer price in total went up by 0.6%, month-on-month (0.2% in Czechia). Prices went up by 1.1% in 'food and non-alcoholic beverages' (1.1% also in Czechia). Especially prices of vegetables including potatoes, butter, cheese and curd and prices of fruit were higher in this division. Price rise in 'transport' by 1.0% (1.6% in Czechia) was caused by higher prices of fuels and lubricants for personal transport equipment and motor cars. In 'clothing and footwear', prices increased by 2.4% (1.7% in Czechia). Both prices of garments and shoes and other footwear were higher in this division. On the other hand, prices in Prague decreased by 0.2% in 'housing, water, electricity, gas and other fuels' (-2.3% in Czechia), partially due to VAT waiver on electricity and natural gas prices.

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<sup>2)</sup> Imputed rentals are excluded from the HICP.