INTRODUCTORY NOTE

The publication provides a general overview of the price level movements in the sphere of consumption.

A revision of the weight system was carried out in 2019. The weights are updated using the national accounts statistics in 2018 since January 2020. The weights for detailed elementary aggregates are updated using Household Budget Survey extended by other available sources and surveys. Price indices that are counted according to new revised index patterns are published since January 2020.

Starting from January 2018, detailed consumer price indices are calculated based on the new ECOICOP classification (European Classification of Individual Consumption according to Purpose), which introduced a more detailed breakdown into the consumer basket. This change occurred according to the Regulation (EU) 2016/792 of the European Parliament and of the Council. The structure of previously published indices remained unchanged.

Starting from January 2020, the price reference period of December 2017 for the price indices is changed to December 2019. Indices calculated with the new base December 2019 = 100 are chained at all levels of the consumer basket to the current index time series on the base average of 2015 = 100. Thereby, a continuation of the existing time series, from which indices to other bases are derived (previous month = 100, corresponding period of 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) is ensured.

Since 2019 scanner data (SD, data from retail chain cash registers) were gradually implemented into the process of calculation of inflation rate. From January 2021 these SD fully replaced traditional price collection in division 01 - Food and non-alcoholic beverages and division 02 - Alcoholic beverages, tobacco.

The calculation of the price indices is based on prices of representatives collected in selected reporting units by aggregating simple price indices into an aggregate using a modified Laspeyres formula.

$$I = \frac{\sum \frac{p_1}{p_0} * p_0 q_0}{\sum p_0 q_0} * 100$$

p_1 = *the price of goods (service) in the reference (current) period.*
p_0 = *the price of goods (service) in the base period*
$p_0.q_0$ = *constant weight: household expenditure on goods (service) in the base period.*

A detailed breakdown of the aggregate indices including methodological notes can be found on the CZSO website, in the *document 012023-21 Consumer Price Indices (Cost-of-Living) – detailed information*, which is available usually on the 25th calendar day following the reference period.