

# HOUSING AND TRANSPORT DOMINATED YEAR-ON-YEAR PRICE GROWTH

## Consumer price indices – inflation – October 2021

Consumer prices in October increased by 1.0% compared with September. This development came from higher prices in almost all consumer basket divisions. The year-on-year growth of consumer prices amounted to 5.8% in October, which was 0.9 percentage points up on September and the highest since October 2008.

### Month-on-month comparison

In 'housing, water, electricity, gas and other fuels', prices of materials and services for the maintenance and repair of the dwelling increased by 0.9%. In 'transport', prices of fuels and lubricants for personal transport equipment were higher by 5.8% and motor cars by 1.2%. Average price of petrol Natural 95 (CZK 35.51 per litre) and average price of Diesel (CZK 34.24 per litre) were the highest since November 2014 and December 2014, respectively. In 'clothing and footwear', price growth came from higher prices of garments by 3.8% and shoes and other footwear by 4.2%. Month-on-month decrease in 'food and non-alcoholic beverages' came primarily from lower prices of fruit by 4.1%, meat by 0.8% and vegetables by 1.2% (of which prices of potatoes dropped by 11.1%). Prices of semi-skimmed UHT milk increased by 4.7% and butter by 3.9%.

Prices of goods in total went up by 1.1% and prices of services by 1.0%.

*“Consumer prices in October increased by 1.0% compared with September. Prices went up in almost all consumer basket divisions. Lower prices of food were the only exception, e.g. average price of potatoes CZK 10.61 per kg was the lowest since February 2015. In year-on-year comparison, prices increased almost by 6%, which was the highest in last 13 years. Prices of housing and fuels dominated the year-on-year growth,”* noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

### Year-on-year comparison

Consumer prices increased by 5.8% in October, i.e. 0.9 percentage points up on September. This **acceleration of price growth**<sup>1)</sup> was the most significant from January 2012. In 'housing, water, electricity, gas and other fuels', besides owner occupied housing costs, price growth of materials and services for the maintenance and repair of the dwelling accelerated to 8.5% (increase by 7.8% in September) and prices of solid fuels to 3.4% (increase by 2.0% in September). Prices of electricity increased by 3.1% (decrease by 2.3% in September) and natural gas prices by 2.6% (decrease by 4.7% in September). This development was in both cases partially influenced by their month-on-month decline in October 2020. In 'alcoholic beverages, tobacco', prices of spirits increased by 1.8% (decrease by 1.9% in September), wine by 3.1% (decrease by 2.7% in September) and tobacco products by 13.0% (increase by 12.3% in September). In 'transport', price rise of motor cars accelerated to 6.3% (increase by 6.0% in September), and fuels and lubricants for personal transport equipment to 26.8% (increase by 20.4% in September).

The biggest influence on **the growth of the year-on-year price level** in October came from prices in 'housing, water, electricity, gas and other fuels', where besides above mentioned, also prices of actual rentals increased by 3.5% and prices of water supply and sewage collection were identically higher by 5.5%. Next in order of influence were prices in 'transport' (increase by 11.6%) and prices in 'alcoholic beverages, tobacco' (increase by 8.6%). In 'clothing and footwear', prices of garments were higher by 10.8% and shoes

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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.

and other footwear by 11.0%. Growth of the overall price level came also from prices in 'restaurants and hotels', where prices of catering services were higher by 6.1%. In 'food and non-alcoholic beverages', prices of UHT semi-skimmed milk increased by 13.1%, oils and fats by 15.9% and sugar by 17.4%.

Imputed rentals (owner occupied housing costs) were higher by 12.8% (increase by 10.3% in September) 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 (5.4% and 6.6%, respectively).

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2021 compared with the average CPI in the previous twelve months, amounted to 3.2% (3.0% in September).

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

According to preliminary calculations, the HICP in Czechia **in October** went up by 0.9%, **month-on-month** and 4.8%, **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in October 2021** amounted to 4.1% year-on-year (3.4% in September), 4.4% in Slovakia and 4.6% 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 3.6% **in September** (0.4 percentage points up on August). The rise in prices in September was the highest in Estonia and Lithuania (identically 6.4%) and the lowest in Malta (0.7%).

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

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