# Year-on-year price growth increased significantly for the third consecutive month

## Consumer price indices – inflation – September 2021

Consumer prices in September increased by 0.2% compared with August. This development came mainly from higher prices in 'housing, water, electricity, gas and other fuels'. The year-on-year growth of consumer prices amounted to 4.9% in September, which was 0.8 percentage points up on August.

**Month-on-month comparison**

In 'housing, water, electricity, gas and other fuels', prices of electricity increased by 1.1% and prices of materials and services for the maintenance and repair of the dwelling by 1.4%. In 'clothing and footwear', prices of garments were higher by 3.0% and shoes and other footwear by 2.9%. In 'alcoholic beverages and tobacco', prices of tobacco products rose by 2.3%. Price development in 'transport' was again influenced both by price rise of motor cars by 1.3%, and by 10 months continuing price growth of fuels and lubricants for personal transport equipment which amounted to 0.4% in September. Average price of petrol Natural 95 (CZK 33.85 per litre) and average price of Diesel (CZK 31.81 per litre) were the highest since December 2014 and January 2020, respectively. As the new school year started, prices in 'education' increased by 1.1%. Fees in kindergartens went up by 2.0%, tuition fees at private secondary schools by 2.2% and fees for foreign language learning by 4.1%. In food, prices of oils and fats were higher by 1.6% and sugar by 6.5%, month-on-month.

The decrease in the overall consumer price level in September came mainly from prices in 'recreation and culture', where prices of package holidays went down by 21.3% due to the end of summer season. In 'food and non-alcoholic beverages', primarily prices of vegetables were lower by 4.2%, of which prices of potatoes dropped by 14.5% and reached value CZK 12.12 per kg. It was the lowest value since November 2020. Prices of pork decreased by 4.8%, poultry by 3.3%, eggs by 7.7%, cheese and curd by 1.5% and fruit by 1.3%.

Prices of goods in total went up by 0.6% while prices of services dropped by 0.5%.

“*Consumer prices in September increased by 0.2% compared with August and 4.9% year-on-year. Year-on-year price growth was detected in majority of surveyed items. Owner occupied housing costs increased, also e.g. prices of fuels, tobacco, motor cars, garments, catering services in restaurants or household furniture went up*,” noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

**Year-on-year comparison**

Consumer prices increased by 4.9% in September, i.e. 0.8 percentage points up on August. This **acceleration of price growth**[[1]](#footnote-1)) came mainly from higher prices in 'housing, water, electricity, gas and other fuels' and in 'transport'. In 'housing, water, electricity, gas and other fuels', prices of actual rentals increased by 3.3% (increase by 2.5% in August), prices of materials and services for the maintenance and repair of the dwelling by 7.8% (increase by 6.7% in August) and prices electricity were lower by 2.3% (decrease by 3.4% in August). In 'transport', prices of motor cars were higher by 6.0% (increase by 5.3% in August), year-on-year and fuels and lubricants for personal transport equipment by 20.4% (increase by 19.0% in August).

The biggest influence on the growth of the year-on-year price level in September came from prices in 'housing, water, electricity, gas and other fuels', where besides owner occupied housing costs, prices of water supply and sewage collection were identically higher by 5.5%. Next in order of influence were prices in 'transport' (increase by 9.6%). In 'alcoholic beverages and tobacco', prices of tobacco products were higher by 12.3%. In 'clothing and footwear', prices of garments were higher by 9.7%, year-on-year and shoes and other footwear by 10.1%. 'In 'food and non-alcoholic beverages', prices of UHT semi-skimmed milk increased by 7.3%, oils and fats by 14.0% and vegetables by 6.9%. Growth of the overall price level came also from prices in 'restaurants and hotels', where prices of catering services were higher by 5.5%. Prices of natural gas decreased by 4.7%.

Prices of goods in total and services went up (4.4% and 5.7%, respectively).

Imputed rentals (owner occupied housing costs) were higher by 10.3% 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 104.2%, year-on-year.

(More information about index of imputed rentals: [Methodological note](https://www.czso.cz/csu/czso/methodological-note-to-consumer-price-index-imputed-rentals).)

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

**Harmonized index of consumer prices (HICP)** [[2]](#footnote-2))

According to preliminary calculations, the HICP in Czechia **in September** went up by 0.3%, **month-on-month** and 4.0%, **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in September 2021** amounted to 3.4% year-on-year (3.0% in August). In Slovakia, prices were higher by 5.1% in September and in Germany by 4.1%, year-on-year. 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 3.2% **in August** (0.7 percentage point up on July). The rise in prices was the highest in Estonia, Lithuania and Poland (identically 5.0%) and the lowest in Malta (0.4%).

(More information on the Eurostat’s web pages: [**HICP**](http://ec.europa.eu/eurostat/web/hicp/data/main-tables).)

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. [↑](#footnote-ref-1)
2. ) Imputed rentals are excluded from the HICP. [↑](#footnote-ref-2)