

# YEAR-ON-YEAR PRICE GROWTH SLOWED DOWN

## Consumer price indices – inflation – October 2022

Consumer prices decreased by 1.4%, month-on-month. This development came primarily from reflecting of Saving tariff and waiver of fee for supported energy sources for electricity prices and on the other hand higher prices in 'food and non-alcoholic beverages'. The year-on-year growth of consumer prices amounted to 15.1% in October, which was 2.9 percentage points down on September.

### Month-on-month comparison

Consumer prices in October decreased by 1.4%, month-on-month. Month-on-month price decrease in 'housing, water, electricity, gas and other fuels', came from lower prices of electricity by 53.9% (more information: [Note](#)). On the other hand, prices of natural gas were higher by 2.7%, solid fuels by 8.4% and heat and hot water by 3.1%, in 'housing, water, electricity, gas and other fuels'. In 'food and non-alcoholic beverages', prices increased by 3.0%, of which prices of vegetables by 9.6%, sugar by 54.3%, eggs by 27.0%, bread and cereals by 3.1%, poultry by 2.5%, pork by 2.8%, cheese and curd by 2.0% and butter by 4.5%. In 'transport', prices of fuels and lubricants for personal transport equipment were higher (after two months of decrease) by 4.9%. In 'clothing and footwear', prices of garments increased by 3.6% and shoes and other footwear by 4.5%.

Prices of goods in total dropped by 2.8%, while prices of services went up by 0.7%.

*"Price level in October was mostly affected by government saving measures for households in the form of an energy allowance. Due to including of Saving tariff into the prices of electricity and zero fee for supported energy sources, prices against September decreased by 1.4%. It was the only month-on-month price decrease from December 2020. Year-on-year price growth slowed down to 15.1%,"* noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

### Year-on-year comparison

Consumer prices increased by 15.1% in October, i.e. 2.9 percentage points down on September. Year-on-year price growth **slowdown**<sup>1)</sup> occurred mainly in 'housing, water, electricity, gas and other fuels', where prices of electricity decreased by 38.2% (increase by 37.8% in September). On the other hand, in 'food and non-alcoholic beverages', price growth **accelerated** again. Prices of bread and cereals were higher by 29.1% (increase by 25.6% in September), meat by 26.6% (increase by 23.6% in September), eggs by 52.8% (increase by 23.3% in September), fruit by 7.6% (increase by 2.9% in September), vegetables by 24.4% (increase by 12.2% in September) and sugar by 105.4% (increase by 33.8% in September).

The biggest influence on **the growth of the year-on-year price level** in October came from prices in 'food and non-alcoholic beverages', where except of above mentioned items mainly prices of flour were higher by 53.3% year-on-year, bread by 35.5%, poultry by 42.3%, UHT semi-skimmed milk by 38.1%, oils and fats by 50.4%. Next in order of influence were prices in 'housing, water, electricity, gas and other fuels', where besides owner occupied housing costs, also prices of actual rentals increased by 5.4%, prices of water supply by 5.3%, sewage collection by 6.4%, natural gas by 85.3%, solid fuels by 67.1% and heat and hot water by 24.8%. In 'transport', prices of fuels and lubricants for personal transport equipment increased by 21.7%. In 'restaurants and hotels', prices of catering services increased by 26.6%.

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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.

Owner occupied housing costs (imputed rentals) were higher by 14.0% (increase by 16.4% in September) mainly due to the growth of prices of construction materials and also prices of construction works and prices of new flats for own housing. The overall consumer price index excluding owner occupied housing costs was 115.1%, year-on-year. (More information: [Methodological note](#).)

Prices of goods in total and services went up (16.0% and 13.4%, respectively).

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2022 compared with the average CPI in the previous twelve months, amounted to 13.5% (12.7% in September).

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

According to preliminary calculations, the HICP in Czechia in **October** dropped by 1.1%, **month-on-month**, and went up by 15.5% (17.8% in September), **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) in **October 2022** amounted to 10.7% year-on-year (9.9% in September), 14.5% in Slovakia and 11.6% in Germany. It was the highest in Estonia in October (22.4%). 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 10.9% in **September** (0.8 percentage points up on August). In September, the rise in prices was the highest in Estonia (24.1%) and the lowest in France (6.2%).

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

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Starting from April 2022, data classified by basic and detailed breakdown according to ECOICOP classification and consumer prices of selected goods and services are published in [Public database](#) at the same time as News release.

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