

PRICE LEVEL INCREASED BY 4.4% FROM DECEMBER TO JANUARY

Consumer price indices – inflation – January 2022

Consumer prices in January increased by 4.4%, month-on-month. This development came primarily from higher prices in 'housing, water, electricity, gas and other fuels'. The year-on-year growth of consumer prices amounted to 9.9% in January, which was 3.3 percentage points up on December.

Month-on-month comparison

Consumer prices in January increased by 4.4%, month-on-month, which was the highest since January 1993. In 'housing, water, electricity, gas and other fuels', mainly prices of electricity were higher by 38.6% and natural gas by 31.3%. This consumer price increase was partly influenced by return of VAT for electricity and natural gas. The impact of this change on increase of month-on-month overall consumer price index amounted to 1.4 percentage points increase, according to indicative calculation of CZSO (more information: [Note](#)). Prices of heat and hot water were higher by 9.9%, materials and services for maintenance and repair of the dwelling by 3.6%, solid fuels by 6.5%, water supply by 5.3% and sewage collection by 6.4%. In 'food and non-alcoholic beverages', prices of bread and cereals increased by 4.2%, meat by 2.7%, non-alcoholic beverages by 5.8%, fruit by 7.4%, vegetables by 4.3% (of which prices of potatoes were higher by 8.3%), cheese and curd by 3.6%, eggs by 12.9%, oils and fats by 5.1%. Increase in the overall consumer price level in January came also from price rise in 'alcoholic beverages, tobacco', where prices of wine were higher by 8.9%, spirits by 7.3% and beer by 4.6%. Price development in 'recreation and culture' was influenced mainly by price increase of package holidays by 10.8%.

Prices of goods in total went up by 5.9% and prices of services by 2.2%.

Year-on-year comparison

"Consumer prices increased by almost 10% in comparison with last January. It is the highest value since July 1998, when the year-on-year price growth reached 10.4%. Housing, fuels and food had the biggest impact on the year-on-year index in January," noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

Consumer prices increased by 9.9% in January, i.e. 3.3 percentage points up on December. Year-on-year price growth **acceleration**¹⁾ occurred mainly in 'housing, water, electricity, gas and other fuels'. Prices of electricity turned from decrease by 15.0% in December into rise by 18.8% in January and prices of natural gas turned from decrease by 7.9% into rise by 21.5%. Prices of materials and services for maintenance and repair of the dwelling increased by 13.4% in January (increase by 10.3% in December), heat and hot water by 12.0% (increase by 1.9% in December), solid fuels by 15.7% (increase by 8.9% in December). In 'food and non-alcoholic beverages', prices of bread and cereals accelerated their growth to 9.4% (increase by 6.6% in December), prices of products in group milk, cheese and eggs to 7.2% (increase by 5.9% in December), prices of oils and fats to 25.9% (increase by 24.7% in December) and prices of fruits turned from decrease by 3.7% in December into rise by 1.7% in January.

The biggest influence on **the growth of the year-on-year price level** in January came from prices in 'housing, water, electricity, gas and other fuels', where besides owner occupied housing costs, also prices of actual rentals increased by 4.3%, prices of water supply by 5.3% and sewage collection by 6.4%. Next in order of influence were prices in 'transport', where prices of motor cars were higher by 11.1% and fuels and lubricants for personal transport equipment by 28.1%. In 'food and non-alcoholic beverages', prices of UHT

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.

semi-skimmed milk were higher by 16.0%, year-on-year, potatoes also by 16.0% and sugar by 21.1%. In 'clothing and footwear', prices of garments were higher by 17.4%.

Imputed rentals (owner occupied housing costs) were higher by 15.2% (increase by 14.7% in December) 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 109.2%, year-on-year. (More information about index of imputed rentals: [Methodological note](#).)

Prices of goods in total and services went up (10.5% and 8.8%, respectively).

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to January 2022 compared with the average CPI in the previous twelve months, amounted to 4.5% (3.8% in December).

Harmonized index of consumer prices (HICP)²⁾

According to preliminary calculations, the HICP in Czechia **in January** went up by 4.6%, **month-on-month** and 8.8%, **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in January 2022** amounted to 5.1% year-on-year (5.0% in December), 8.5% in Slovakia and 5.1% 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 5.3% **in December** (0.1 percentage points up on November). The rise in prices in November was the highest in Estonia (12.0%) and the lowest in Malta (2.6%).

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

* * *

Starting from January 2022, the consumer price indices are counted on updated weights, which are determined on the base of household expenditure average in 2019-2021. These indices are chained at all levels of the consumer basket with the base period average of 2015 = 100. Thereby, a continuation of the existing index time series, from which indices to other bases are derived (previous month = 100, corresponding period of the 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) are ensured.

²⁾ Imputed rentals are excluded from the HICP.