# Year-on-year growth of consumer prices slowed down again

## Consumer price indices – inflation – July 2023

Consumer prices increased by 0.5%, month-on-month. This development came mainly from higher prices in 'recreation and culture'. The year-on-year growth of consumer prices amounted to 8.8% in July, which was 0.9 percentage points down on June.

**Month-on-month comparison**

Consumer prices in July increased by 0.5%, month-on-month. Growth of consumer prices in 'recreation and culture' came mainly from increase in seasonal prices of package holidays by 22.8%. In 'transport', prices of fuels and lubricants for personal transport equipment were higher by 1.8%. In 'restaurants and hotels', prices of catering services increased by 0.6%. Price development in 'housing, water, electricity, gas and other fuels' was influenced by price growth of actual rentals for housing by 1.5% and electricity by 0.5%. In 'communication', prices of wireless telephone services increased by 1.5%. Month-on-month price decrease occurred in 'food and non-alcoholic beverages', where mainly prices of fruit were lower by 4.3%, vegetables by 1.7%, bread and cereals by 0.8%, UHT semi-skimmed milk by 4.8%, cheese and curd by 1.5% and eggs by 3.3%. In 'housing, water, electricity, gas and other fuels', prices of natural gas decreased by 1.8%.

Prices of goods in total decreased by 0.3% while prices of services went up by 1.6%.

**Year-on-year comparison**

“*In July, consumer prices continued to weaken year-on-year growth. Food prices had a significant impact on this development. They have been slowing down their year-on-year growth since December of the last year, which was 9.5% in July. Compared to last month, food prices fell by 0.8%,”* noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

Consumer prices increased by 8.8% in July, i.e. 0.9 percentage points down on June. This **slowdown**[[1]](#footnote-1)) of year-on-year price growth was mainly influenced by prices in 'food and non-alcoholic beverages' and in 'housing, water, electricity, gas and other fuels'. In 'food and non-alcoholic beverages', most of observed items moderated their growth. Prices of meat in July were higher by 3.2% (increase by 4.7% in July), items in group milk, cheese and eggs by 8.3% (increase by 13.0% in June), margarine and other vegetable fats by 3.6% (increase by 17.1% in June), fruit by 10.3% (increase by 15.2% in June) and sugar by 44.7% (in June increase by 50.3%). In 'housing, water, electricity, gas and other fuels' in July, prices of natural gas moderated their year-on-year growth to 35.5% (increase by 39.8% in June) and solid fuels to 26.9% (increase by 35.2% in June).

The biggest influence on **the growth of the year-on-year price level** in July came from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals[[2]](#footnote-2)) increased by 7.6%, water supply by 16.3%, sewage collection by 26.9%, electricity by 23.4% and heat and hot water by 38.9%. Next in order of influence were prices in 'food and non-alcoholic beverages', where prices of eggs increased by 28.2%, and vegetables by 28.9% (of which prices of potatoes were higher by 61.2%). In 'recreation and culture', prices of package holidays increased by 14.2%. In 'restaurants and hotels', prices of catering services increased by 12.8% and prices of accommodation services by 13.6%. Year-on-year price level decrease in July came from prices in 'transport' mainly due to prices of fuels and lubricants for personal transport equipment, which were lower by 23.9%, year-on-year.

Owner occupied housing costs (imputed rentals) were higher by 0.9% (increase by 1.5% in June). The overall consumer price index excluding owner occupied housing costs was 109.9%, year-on-year. (More information: [Methodological note](https://www.czso.cz/csu/czso/methodological-notes-to-consumer-price-index-imputed-rentals).)

Prices of goods in total and services went up (9.5% and 7.6%, respectively).

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to July 2023 compared with the average CPI in the previous twelve months, amounted to 14.3% (15.1% in June).

Level of consumer price base index with base period the average of 2015 = 100, was 148.8% in July (148.1% in June).

**Harmonized index of consumer prices (HICP)** [[3]](#footnote-3))

According to preliminary calculations, the HICP in Czechia **in July** increased by 0.4% **month-on-month** and 10.2% (11.2% in June), **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in July 2023** amounted to 5.3% year-on-year (5.5% in June), 6.5% in Germany. It was the highest in Slovakia in July (10.2%). 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 6.4% **in June** (0.7 percentage points down on May). In June, the rise in prices was the highest in Hungary (19.9%) and the lowest in Luxembourg (1.0%).

(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. ) Actual rentals includes both newly concluded contracts and existing ones [↑](#footnote-ref-2)
3. ) Imputed rentals are excluded from the HICP. [↑](#footnote-ref-3)