

# YEAR-ON-YEAR CONSUMER PRICE REACHED 8.5%

## Consumer price indices – inflation – October 2023

Consumer prices increased by 0.1%, month-on-month. This development came mainly from price increase in 'food and non-alcoholic beverages' and in 'clothing and footwear', which was offset by price drop in 'housing, water, electricity, gas and other fuels'. The year-on-year growth of consumer prices amounted to 8.5% in October, which was 1.6 percentage points up on September.

### Month-on-month comparison

Consumer prices in October increased by 0.1%, month-on-month. In 'food and non-alcoholic beverages', mainly prices of pork meat increased by 5.0%, eggs by 10.8%, fruit by 3.0%, vegetables by 2.2%, UHT semi-skimmed milk by 5.8% and butter by 5.0%. In 'clothing and footwear', prices of garments went up by 2.2% and shoes and other footwear by 3.2%. Month-on-month price decrease was recorded mainly in 'housing, water, electricity, gas and other fuels', where prices of electricity dropped by 1.7%, natural gas by 3.0% and heat and hot water by 0.8%. In food, mainly prices of non-alcoholic beverages were lower by 2.0%, poultry by 2.3%, potatoes by 5.4%, yoghurts by 3.8% and sugar by 5.2%.

Prices of goods in total remained at the level of September and prices of services increased by 0.2%.

### Year-on-year comparison

*"October acceleration of year-on-year price growth by 8.5% came especially from last year including of Saving tariff into electricity prices. If the Saving tariff was not included into calculation, the year-on-year price growth would reach 5.8%,"* noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

Consumer prices increased by 8.5% in October, i.e. 1.6 percentage points up on September. This **acceleration**<sup>1)</sup> of year-on-year price growth came mainly from prices in 'housing, water, electricity, gas and other fuels'. Prices of electricity accelerated their year-on-year growth to 148.6% (increase by 16.5% in September) mainly due to their sharp decline in October 2022 (see [Note](#)). On the other hand natural gas prices slowed down their growth to 6.2% (increase by 12.5% in September), prices of heat and hot water to 31.0% (increase by 36.2% in September) and solid fuels to 3.9% (increase by 12.9% in September). Year-on-year price change came also from moderate increase of prices in 'food and non-alcoholic beverages'. Prices of bread went up by 5.1% (increase by 10.3% in September), vegetables by 12.4% (increase by 20.4% in September), of which prices of potatoes were higher by 48.5% (increase by 63.4% in September). Prices of eggs were lower by 6.2% (increase by 7.5% in September) and prices of sugar by 11.1% (increase by 44.6% 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 accept of above mentioned, prices of actual rentals<sup>2)</sup> increased by 7.9%, water supply by 16.3%, sewage collection by 26.9%. Second in order of influence were prices in 'food and non-alcoholic beverages' (increase by 3.7%). In 'recreation and culture', prices of package holidays increased by 11.6%. In 'restaurants and hotels', prices of catering services increased by 8.9% and prices of accommodation services by 12.2%. Year-on-year decrease of price level in October came from prices in 'transport', where prices of cars dropped by 4.3% and prices of fuels and lubricants for personal transport equipment by 7.3%.

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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.

<sup>2)</sup> Actual rentals includes both newly concluded contracts and existing ones

Owner occupied housing costs (imputed rentals) remained unchanged year-on-year (increase by 0.1% in September). The overall consumer price index excluding owner occupied housing costs was 109.7%, year-on-year. (More information: [Methodological note](#).)

Prices of goods in total and services went up (10.1% and 6.1%, respectively).

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2023 compared with the average CPI in the previous twelve months, amounted to 12.1% (12.7% in September).

Level of consumer price base index with base period the average of 2015 = 100, was 148.1% in October (148.0% in September).

### **Harmonized index of consumer prices (HICP)<sup>3)</sup>**

According to preliminary calculations, the HICP change in Czechia **in October** was 0.0% **month-on-month** and 9.5% (8.3% in September), **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in October 2023** amounted to 2.9% year-on-year (4.3% in September), 3.0% in Germany. It was the highest in Slovakia in October (7.8%) and the lowest in Belgium (decrease by 1.7%). 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 4.9% **in September** (1.0 percentage points down on August). In September, the rise in prices was the highest in Hungary (12.2%) and the lowest in the Netherlands (decrease by 0.3%).

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

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Starting from January 2024, the consumer price indices will be counted on updated weights, which will be determined primarily on the base of household expenditure in 2022 and will be modified by the estimate of household expenditure in 2023. These indices will be 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 will be 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) will be ensured.

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<sup>3)</sup> Imputed rentals are excluded from the HICP.