

AVERAGE INFLATION RATE STOOD AT 10.7% IN 2023

Consumer price indices – inflation – December 2023

Consumer prices decreased by 0.4%, month-on-month. This development came mainly from price decrease in 'food and non-alcoholic beverages'. The year-on-year growth of consumer prices amounted to 6.9% in December, which was 0.4 percentage points down on November. The average inflation rate for 2023 as a whole was 10.7%.

Month-on-month comparison

Consumer prices in December decreased by 0.4%, month-on-month. In 'food and non-alcoholic beverages', prices of most of surveyed items were lower. Mainly prices of fruit were lower by 5.6%, smoked meat and sausages by 2.7%, non-alcoholic beverages by 1.5%, cheese and curd by 2.1%, margarine and other vegetable fats by 6.6% and poultry by 1.2%. In 'alcoholic beverages, tobacco', prices of wine decreased by 5.2%, beer by 3.0% and spirits by 2.6%. Price development in 'transport' was mainly influenced by lower prices of fuels and lubricants for personal transport equipment by 4.7%. Average price of petrol Natural 95 (CZK 36.32 per litre) was the lowest from January 2022. Month-on-month overall price level increase came mainly from prices in 'housing, water, electricity, gas and other fuels', where prices of electricity were higher by 1.0% and natural gas by 0.4%. In food, mainly prices of potatoes were higher by 6.5%.

Prices of goods in total decreased by 0.8%, while prices of services went up by 0.2%.

Year-on-year comparison

Consumer prices increased by 6.9% in December, i.e. 0.4 percentage points down on November. Without including influence of Saving tariff into consumer price index in 2022, year-on-year price growth would have reached value of 4.2% (More information about electricity price index: see [Note](#)).

The **slowdown**¹⁾ of the year-on-year price growth came mainly from prices in 'food and non-alcoholic beverages', where most of surveyed food items moderated their year-on-year price growth or deepened their decrease. Prices of smoked meat and sausages were higher by 0.6% in December (increase by 3.4% in November) and prices of fruit by 5.8% (increase by 8.4% in November). Mainly prices of UHT semi-skimmed milk decreased by 28.3% (decrease by 19.5% in November), prices of cheese and curd by 5.4% (decrease by 2.4% in November), prices of eggs by 30.3% (decrease by 25.5% in November). On the other hand, in 'transport', prices moderated their year-on-year decrease. Prices of fuel and lubricants for personal transport equipment were lower by 2.9% (decrease by 8.8% in November), mainly due to their more significant month-on-month price decrease in December 2022.

The biggest influence on **the growth of the year-on-year price level** in December came from prices in 'housing, water, electricity, gas and other fuels', where prices of actual rentals²⁾ increased by 7.3%, materials and services for maintenance and repair of the dwelling by 5.5%, water supply by 16.3%, sewage collection by 26.9%, electricity by 142.4%, heat and hot water by 24.2%. Prices of natural gas dropped by 7.7%, year-on-year and solid fuels by 2.0%. In 'alcoholic beverages, tobacco', prices of spirits were higher by 2.1%, wine by 3.6%, beer by 6.2%, tobacco products by 7.0%. In 'recreation and culture', prices of package holidays increased by 7.5%. In 'restaurants and hotels', prices of catering services increased by 8.1% and prices of accommodation services by 11.4%. Year-on-year price level decrease in December came mainly from prices in 'food and non-alcoholic beverages' (decrease by 0.3%) and in 'transport' (decrease by 0.2%).

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.

²⁾ Actual rentals includes both newly concluded contracts and existing ones.

Owner occupied housing costs (imputed rentals) increased by 0.6% year-on-year (increase by 0.5% in November). The overall consumer price index excluding owner occupied housing costs was 107.7%, year-on-year. (More information: [Methodological note](#).)

Prices of goods in total and services went up (7.6% and 5.7%, respectively).

Level of consumer price base index with base period the average of 2015 = 100, was 147.6% in December (148.2% in November).

Average inflation rate

“Average inflation rate for 2023 was 10.7%. It was 4.4 percentage point less than in 2022. Prices of goods in total rose by 12.1% and prices of services by 8.4% in 2023,” noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

(A summary of the development of the consumer price index in 2023 is a part of the Q4 analysis, which is released at the same time.)

Harmonized index of consumer prices (HICP)³⁾

According to preliminary calculations, the HICP in Czechia **in December** decreased by 0.4% **month-on-month** and increased by 7.6% (8.0% in November), **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in December 2023** amounted to 2.9% year-on-year (2.4% in November), 3.8% in Germany. It was the highest in Slovakia in December (6.6%) and the lowest in Belgium and Italy (equally by 0.5%). 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 3.1% **in November** (0.5 percentage points down on October). In November, the rise in prices was the highest in Czechia (8.0%) and the lowest in Belgium (decrease by 0.8%).

(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.

³⁾ Imputed rentals are excluded from the HICP.