

YEAR-ON-YEAR PRICE GROWTH WEAKENED SIGNIFICANTLY

Consumer price indices – inflation – January 2024

Consumer prices increased by 1.5%, month-on-month. This development came mainly from higher prices in 'housing, water, electricity, gas and other fuels'. The year-on-year growth of consumer prices amounted to 2.3% in January, which was 4.6 percentage points down on December.

Month-on-month comparison

Consumer prices in January increased by 1.5%, month-on-month. In 'housing, water, electricity, gas and other fuels', mainly prices of electricity were higher by 12.1%, water supply by 10.9%, natural gas by 3.6%, sewage collection by 13.4%, heat and hot water by 3.2%, actual rentals by 0.9% and materials and services for maintenance and repair of the dwelling by 1.5%. In 'alcoholic beverages, tobacco', prices of spirits increased by 10.6%, wine by 10.0% and beer by 6.6%. Price development in 'recreation and culture' was influenced mainly by higher prices of package holidays by 7.0% and recreational and cultural services by 1.6%. In 'restaurants and hotels', prices of catering services increased by 1.7%. In 'food and non-alcoholic beverages', mainly prices of non-alcoholic beverages increased month-on-month by 3.9%, fruit by 5.0%, and vegetables by 2.4% (of which prices of potatoes were higher by 5.7%). Month-on-month overall price level decrease in January came mainly from prices in 'clothing and footwear', where prices of garments were lower by 1.1%. In food, mainly prices of bread dropped by 3.5%, smoked meat and sausages by 2.4% and sugar by 8.2%.

Prices of goods in total increased by 1.7% and prices of services by 1.3%.

Year-on-year comparison

“Consumer prices in January significantly weakened their month-on-month growth to 2.3%, which is the lowest value from March 2021. This development came mainly from prices of housing and food and also higher benchmark in the last year,” noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

Consumer prices increased by 2.3% in January, i.e. 4.6 percentage points down on December.

The **slowdown**¹⁾ of the year-on-year price growth came mainly from prices in 'housing, water, electricity, gas and other fuels', where most of surveyed items moderated their year-on-year price growth. Mainly prices of electricity moderated their growth in January to 13.3% (increase by 142.4% in December), water supply to 10.9% (increase by 16.3% in December) and sewage collection to 10.9% (increase by 16.3% in December). Prices in 'food and non-alcoholic beverages' deepened their year-on-year price decline. Mainly prices of flour dropped by 23.6% in January (decrease by 19.7% in December), meat by 6.6% (decrease by 3.0% in December), yoghurts by 7.6% (decrease by 1.4% in December), cheese and curd by 9.7% (decrease by 5.4% in December) and sugar by 21.9% (decrease by 17.2% in December). Prices of fruit moderated their year-on-year growth to 1.1% (increase by 5.8% in December) and vegetables to 13.3% (increase by 18.7% in December).

The biggest influence on **the growth of the year-on-year price level** came again (even though it weakened significantly in January) from prices in 'housing, water, electricity, gas and other fuels', where except of above mentioned, prices of actual rentals²⁾ increased by 7.0% and prices of materials and services for maintenance and repair of the dwelling by 5.3%. Prices of natural gas dropped by 6.5%, year-on-year and solid fuels by 2.9%. In 'alcoholic beverages, tobacco', prices of spirits were higher by 3.4%, wine by 5.0%,

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.

beer by 4.0% and tobacco products by 6.9%. In 'restaurants and hotels', prices of catering services increased by 8.5% and prices of accommodation services by 11.5%. In 'recreation and culture', prices of package holidays increased by 3.4%. Year-on-year price level decrease in January came mainly from prices in 'food and non-alcoholic beverages' (decrease by 3.9%).

Owner occupied housing costs (imputed rentals) increased by 0.4% year-on-year (increase by 0.6% in December). The overall consumer price index excluding owner occupied housing costs was 102.5%, year-on-year. (More information: [Methodological note](#).)

Prices of goods in total and services went up (0.7% and 5.1%, respectively).

Level of consumer price base index with base period the average of 2015 = 100, was 149.8% in January (147.6% in December).

Harmonized index of consumer prices (HICP)³⁾

According to preliminary calculations, the HICP in Czechia in **January** increased by 1.8% **month-on-month** and 2.7% (7.6% in December), **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) in **January 2024** amounted to 2.8% year-on-year (2.9% in December), 3.1% in Germany and 4.3% in Slovakia. It was the highest in Estonia in January (5.0%) and the lowest in Finland (0.7%). 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 3.4% in **December** (0.3 percentage points up on November). In December, the rise in prices was the highest in Czechia (7.6%) and the lowest in Denmark (0.4%).

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

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

³⁾ Imputed rentals are excluded from the HICP.