

# YEAR-ON-YEAR GROWTH OF CONSUMER PRICES ACCELERATED SIGNIFICANTLY

## Consumer price indices – inflation – July 2021

Consumer prices in July increased by 1.0% compared with June. This development came primarily from higher prices in 'recreation and culture'. The year-on-year growth of consumer prices amounted to 3.4% in July, which was 0.6 percentage points up on June and the highest since July 2020.

### Month-on-month comparison

Growth of consumer prices in 'recreation and culture' came mainly from increase of seasonal prices of package holidays by 23.2%. In 'housing, water, electricity, gas and other fuels', prices of actual rentals for housing were higher by 0.6% and prices of materials and services for the maintenance and repair of the dwelling by 1.2%. Price development in 'transport' was again influenced by price rise of fuels and lubricants for personal transport equipment by 2.9% and motor cars by 0.7%. Price level increase came also from prices in 'restaurants and hotels', where prices of catering services went up by 1.0% (of which prices in restaurants and cafés by 1.3%) and prices of accommodation services by 1.8%. In 'food and non-alcoholic beverages', prices of UHT semi-skimmed milk were higher by 6.9%, meat by 0.5% and sugar by 8.9%.

Decrease in overall consumer price level in July was influenced mainly by prices in 'alcoholic beverages, tobacco', where prices of wine dropped by 1.5%. In food, mainly prices of fruit were lower by 3.7%, margarine and other vegetable fats by 5.3%, eggs by 3.4% and potatoes by 3.4%.

Prices of goods in total went up by 0.4% and prices of services by 1.9%.

### Year-on-year comparison

*'The biggest influence on year-on-year price growth came for the third consecutive month from prices in transport. Prices of motor cars increased by 5.4%, prices of fuels and lubricants for personal transport equipment by 18.5%. E.g. petrol Natural 95 was sold for almost CZK 33.5 per litre at petrol stations in July, which was the highest value since December 2014',* noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

Consumer prices increased by 3.4% in July, i.e. 0.6 percentage points up on June. This development came mainly from prices in 'food and non-alcoholic beverages' and in 'housing, water, electricity, gas and other fuels'. Prices of vegetables turned from decrease by 6.8% in June into rise by 6.9% in July, of which prices of potatoes were higher by 2.8% in July (decrease by 23.4% in June). Prices of fruit were lower by 4.8%, year-on-year (decrease by 7.1% in June) and prices of meat by 1.4% (decrease by 2.6% in June). In 'housing, water, electricity, gas and other fuels', prices of actual rentals for housing were higher by 2.5% (increase by 2.1% in June) and prices of materials and services for the maintenance and repair of the dwelling by 5.5% (increase by 4.2% in June). In 'restaurants and hotels', prices in restaurants and cafés went up by 4.4%, year-on-year (increase by 3.5% in June).

The biggest influence on the growth of the year-on-year price level in July came again from prices in 'transport', where prices of fuels and lubricants for personal transport equipment increased by 18.5%. Next in the order of influence were prices in 'alcoholic beverages and tobacco', where prices of beer were higher by 6.4% and tobacco products by 8.4%. In 'housing, water, electricity, gas and other fuels', prices of water supply and sewage collection were identically higher by 5.5%. Prices of electricity decreased by 3.4% and natural gas by 4.7%.

Prices of goods in total and services went up (2.9% and 3.9%, respectively).

Imputed rentals (owner occupied housing costs) were higher by 6.0% (mainly due to the growth of prices of new flats and construction materials). The overall consumer price index excluding imputed rentals for housing was 103.0%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to July 2021 compared with the average CPI in the previous twelve months, amounted to 2.8%.

#### **Harmonized index of consumer prices (HICP) <sup>1)</sup>**

According to preliminary calculations, the HICP in Czechia **in July** went up by 0.7%, **month-on-month** and 2.7%, **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in July 2021** amounted to 2.2% year-on-year (1.9% in June). In Slovakia, prices were higher by 2.9% in July and in Germany by 3.1%, year-on-year. 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 2.2% **in June** (0.1 percentage point down on May). The rise in prices was the highest in Hungary (5.3%). On the other hand, price reduction occurred only in Portugal (−0.6%).

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

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<sup>1)</sup> Imputed rentals are excluded from the HICP.