

# YEAR-ON-YEAR PRICE GROWTH SLOWED DOWN

## Consumer price indices – inflation – May 2021

**Consumer prices in May increased by 0.2% compared with April. This development came primarily from price rise in 'transport'. The year-on-year growth of consumer prices amounted to 2.9% in May, which was 0.2 percentage points down on April.**

### Month-on-month comparison

Price increase in 'transport' came mainly from higher prices of automotive fuels and lubricants by 1.3% and motor cars by 0.4%. In 'miscellaneous goods and services', prices of goods and services for personal care increased by 1.1%. In food, mainly prices of fruit were higher by 4.5%, potatoes by 6.4% and poultry by 2.0%.

Decrease in overall consumer price level in May was influenced mainly by price drop in 'food and non-alcoholic beverages'. Prices of vegetables were lower by 5.4%, non-alcoholic beverages by 2.2%, pork by 3.2%, smoked meat and sausages by 0.9%, eggs by 4.0%, sugar by 5.0% and butter by 3.2%.

Prices of goods in total remained at the same level as in April and prices of services went up by 0.5%.

*'Consumer prices in May increased by 0.2% compared with April and their year-on-year growth slowed down to 2.9%. Month-on-month development was influenced mainly by price rise of automotive fuels and lubricants. The average price of petrol Natural 95 was CZK 31.99 per litre, which was the highest value since October 2019. The average price of diesel CZK 29.96 per litre was the highest since February 2020',* noted Pavla Šedivá, head of Consumer Price Statistics Unit.

### Year-on-year comparison

Consumer prices increased by 2.9% in May, i.e. 0.2 percentage points down on April. In 'food and non-alcoholic beverages', many food products deepened their price decrease. Prices of pork were lower by 10.0% in May (decrease by 7.2% in April), eggs by 8.9% (decrease by 1.1% in April), fruit by 4.0% (decrease by 1.1% in April) and vegetables by 7.4% (decrease by 3.4% in April). Prices of sugar turned from increase by 4.5% in April into drop by 1.9% in May. In 'alcoholic beverages, tobacco', price rise of spirits decelerated to 2.2% (increase by 5.1% in April), beer to 4.1% (increase by 8.5% in April) and tobacco products to 15.4% (increase by 19.5% in April). On the other hand, in 'housing, water, electricity, gas and other fuels', price rise of water supply and sewage collection identically accelerated to 5.5% in May (increase by 1.9% and 2.3%, respectively in April) mainly due to their month-on-month decrease in May 2020.

The biggest influence on the growth of the year-on-year price level in May came from prices in 'transport', where prices of motor cars went up by 6.9% and automotive fuels and lubricants by 22.0%. Next in the order of influence were prices in 'alcoholic beverages and tobacco' (increase by 9.8%). In 'housing, water, electricity, gas and other fuels', prices of actual rentals for housing increased by 1.8%. Prices of electricity decreased by 3.4% and natural gas by 4.7%. In 'miscellaneous goods and services', prices of financial services were higher by 8.8%. A reduction in the overall price level in May came from prices in 'food and non-alcoholic beverages' (decrease by 1.3%) and prices in 'communication' (decrease by 0.5%).

Prices of goods in total and services went up (2.7% and 3.1%, respectively). The overall consumer price index excluding imputed rentals for housing was 102.8%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to May 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 May** went up by 0.1%, **month-on-month** and 2.7%, **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in May 2021** amounted to 2.0% year-on-year (1.6% in April). In Slovakia, prices were higher by 2.1% in May and in Germany by 2.4%, 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 2.0% **in April** (0.3 percentage point up on March). The rise in prices was the highest in Hungary and Poland (5.2% and 5.1%, respectively). On the other hand, price reduction occurred in Greece (−1.1%) and in Portugal (−0.1%).

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

In May, in comparison with the previous month, the overall consumer price level in **households of pensioners** increased by 0.2%. The increase in prices in 'transport' by 0.7% was mainly due to rising prices of fuels and lubricants for personal transport equipment and prices of motor cars. In 'miscellaneous goods and services', prices increased by 0.4%. In this division, prices of goods and services for personal care were higher. The opposite effect on the change in the price level was due to a decrease in prices in 'food and non-alcoholic beverages' by 0.6%. In this division, prices of vegetables, non-alcoholic beverages and pork were lower.

**In the capital city of Prague**, consumer prices in total increased by 0.3% compared to the previous month (0.2% in Czechia). The biggest influence on this development had the price increase in 'transport' by 0.7% (0.7% also in Czechia), where prices of fuels and lubricants for personal transport equipment and prices of motor cars went up. The increase in prices in 'clothing and footwear' by 1.2% (0.3% in Czechia) was caused by rising prices of garments and prices of shoes and other footwear. On the other hand, in Prague there was a decrease in consumer prices in 'food and non-alcoholic beverages' by 0.6% (a decrease by 0.6% also in Czechia). In this division, prices of vegetables, non-alcoholic beverages and pork were lower.

[Methodological note to consumer price index in May 2021 \(COVID-19\)](#)

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