

YEAR-ON-YEAR GROWTH OF CONSUMER PRICES SLOWED DOWN AGAIN

Consumer price indices – inflation – June 2021

Consumer prices in June increased by 0.5% compared with May. This development came primarily from price rise in 'housing, water, electricity, gas and other fuels' and in 'recreation and culture'. The year-on-year growth of consumer prices amounted to 2.8% in June, which was 0.1 percentage points down on May.

Month-on-month comparison

Price increase in 'housing, water, electricity, gas and other fuels' came mainly from higher prices of materials and services for the maintenance and repair of the dwelling by 1.3%. In 'recreation and culture', mainly seasonal prices of package holidays increased by 4.3%. In 'transport', price rise of fuels and lubricants for personal transport equipment continued for the seventh month and it amounted to 1.6% in June. In 'restaurants and hotels', prices of catering services were higher by 1.1% and in 'clothing and footwear', prices of garments increased by 1.9%. In food, mainly prices of poultry were higher by 4.9%, eggs by 10.0% and potatoes by 10.5% (partly due to market offer, which switched from old to new potatoes).

Decrease in overall consumer price level in June was influenced mainly by price drop in 'food and non-alcoholic beverages'. Prices of vegetables were lower by 3.4%, fruit by 1.3% and dried, salted or smoked meat by 0.6%.

Prices of goods in total went up by 0.3% and prices of services by 0.9%.

'Consumer prices in June increased by 2.8%, year-on-year. The biggest influence on this growth came again from prices in 'transport'. Prices of motor cars were higher by 5.7% year-on-year and prices of fuels and lubricants for personal transport equipment increased by 20.2%. E.g. price of petrol Natural 95 was CZK 32.47 per litre, which was the highest value since July 2019, so almost the highest in last two years', noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

Year-on-year comparison

Consumer prices increased by 2.8% in June, i.e. 0.1 percentage points down on May. This development came mainly from prices in 'alcoholic beverages, tobacco'. Prices of tobacco products moderated their increase to 10.1% (increase by 15.4% in May), mainly due to their month-on-month increase in June 2020. Prices of wine turned from their rise by 1.5% in May into the decrease by 2.7% in June. In 'clothing and footwear', prices of garments went up by 4.1% (increase by 2.6% in May) and shoes and other footwear by 4.9% (increase by 4.0% in May). In 'housing, water, electricity, gas and other fuels', prices of materials and services for the maintenance and repair of the dwelling were higher by 4.2% (increase by 3.0% in May).

The biggest influence on the growth of the year-on-year price level in June came again from prices in 'transport', where prices of fuels and lubricants for personal transport equipment increased by 20.2%. Next in the order of influence (despite its weakening) were prices in 'alcoholic beverages and tobacco' (increase by 6.7%). In 'housing, water, electricity, gas and other fuels', prices of actual rentals for housing increased by 2.1% and prices of water supply and sewage collection identically by 5.5%. 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 8.9%. A reduction in the overall price level in June came mainly from prices in 'food and non-alcoholic beverages', where prices of pork decreased by 9.7%, fruit by 7.1%, vegetables by 6.8% (of which prices of potatoes decreased by 23.4%) and sugar by 6.6%.

Prices of goods in total and services went up (2.4% and 3.4%, respectively). The overall consumer price index excluding imputed rentals for housing was 102.6%, year-on-year.

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

Harmonized index of consumer prices (HICP) ¹⁾

According to preliminary calculations, the HICP in Czechia **in June** went up by 0.4%, **month-on-month** and 2.5%, **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in June 2021** amounted to 1.9% year-on-year (2.0% in May). In Slovakia, prices were higher by 2.5% in June and in Germany by 2.1%, 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 2.3% **in May** (0.3 percentage point up on April). The rise in prices was the highest in Hungary and Poland (5.3% and 4.6%, respectively). On the other hand, price reduction occurred only in Greece (−1.2%).

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

In June, in comparison with the previous month, the overall consumer price level in **households of pensioners** increased by 0.4%. The biggest influence on this development had the growth of prices in 'recreation and culture' by 2.0%. Seasonal prices of package holidays increased mainly in this division. In 'restaurants and hotels' prices were higher by 1.3%. There was particularly a price rise in catering services. The increase in prices in 'transport' by 0.6% was mainly due to rising prices of fuels and lubricants for personal transport equipment. The opposite effect on the change in the price level was due to a decrease in prices in 'food and non-alcoholic beverages' by 0.3%. In this division, prices of vegetables, fruit and prices of oils and fats were particularly lower.

In the capital city of Prague, consumer prices in total increased by 0.4% compared to the previous month (0.5% in Czechia). The biggest influence on this development had the price increase in 'recreation and culture' by 1.6% (1.7% in Czechia), where seasonal prices of package holidays were particularly higher. The price rise in 'clothing and footwear' by 1.9% (1.4% in Czechia) was caused by rising prices of garments and prices of shoes and other footwear. In 'transport' prices grew by 0.6% (0.6% also in Czechia) mainly due to higher prices of fuels and lubricants for personal transport equipment. On the other hand, in Prague there was a decrease in consumer prices in 'food and non-alcoholic beverages' by 0.3% (a decrease by 0.3% also in Czechia). In this division, prices of vegetables, fruit and prices of oils and fats were particularly lower.

¹⁾ Imputed rentals are excluded from the HICP.