

# YEAR-ON-YEAR PRICE GROWTH WAS THE HIGHEST SINCE NOVEMBER 2008

## Consumer price indices – inflation – August 2021

Consumer prices in August increased by 0.7% compared with July. This development came from higher prices in almost all divisions of consumer basket. The year-on-year growth of consumer prices amounted to 4.1% in August, which was 0.7 percentage points up on July and the highest since November 2008.

### Month-on-month comparison

In 'housing, water, electricity, gas and other fuels', prices of materials and services for the maintenance and repair of the dwelling increased by 1.2%. In 'recreation and culture', mainly prices of package holidays were higher by 3.3%. Price development in 'transport' was again influenced by price rise of fuels and lubricants for personal transport equipment by 0.9% and motor cars by 0.5%. Price level increase came also from prices in 'restaurants and hotels', where prices of catering services went up by 0.9% (of which prices in restaurants and cafés by 1.1%). In 'food and non-alcoholic beverages', mainly prices of butter were higher by 8.5%, eggs by 7.5%, fruit by 1.6% and poultry by 1.8%. Prices of vegetables decreased by 3.3% month-on-month, of which prices of potatoes by 5.8%. Prices of pork were lower by 1.7% and sugar by 5.4%.

Prices of goods in total went up by 0.5% and prices of services by 1.2%.

*“Consumer prices in August increased by 0.7% compared with July and accelerated its y-o-y growth to 4.1%, which is the highest since November 2008. This development came both from prices of goods and services in almost all consumer basket divisions. Prices of goods increased by 3.6% and services almost by 5% compared with last year August,”* noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

### Year-on-year comparison

Consumer prices increased by 4.1% in August, i.e. 0.7 percentage points up on July. This acceleration of price growth came mainly from higher prices in 'housing, water, electricity, gas and other fuels' and in 'food and non-alcoholic beverages'. In 'housing, water, electricity, gas and other fuels', prices of materials and services for the maintenance and repair of the dwelling increased by 6.7% (increase by 5.5% in July). In 'food and non-alcoholic beverages', prices of butter were higher by 12.4% (increase by 2.7% in July), eggs by 5.8% (decrease by 4.1% in July) and prices of fruit were lower by 2.2% year-on-year (decrease by 4.8% in July). In 'clothing and footwear', price rise of garments accelerated to 8.2% (increase by 6.1% in July) and shoes and other footwear to 8.6% (increase by 6.4% in July).

The biggest influence on the growth of the year-on-year price level in August came from prices in 'housing, water, electricity, gas and other fuels' and in 'transport'. In 'housing, water, electricity, gas and other fuels', prices of actual rentals increased by 2.5% and 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%. In 'transport', prices of fuels and lubricants for personal transport equipment increased by 19.0%. Next in the order of influence were prices in 'alcoholic beverages and tobacco', where prices of beer were higher by 6.3% and tobacco products by 9.9%. In 'food and non-alcoholic beverages', prices of oils and fats increased by 13.2% year-on-year and vegetables by 7.0%. Growth of the overall price level came also from prices in 'restaurants and hotels', where prices of catering services were higher by 5.2%.

Prices of goods in total and services went up (3.6% and 4.9%, respectively).

Imputed rentals (owner occupied housing costs) were higher by 8.2% mainly due to the growth of prices of construction materials and prices of new flats for own housing, and to a lesser extent price growth of construction works. The year-on-year index also showed almost the full effect of the disappearance of so far

significantly reducing effect of the abolition of real estate acquisition tax last year. The overall consumer price index excluding imputed rentals for housing was 103.6%, year-on-year.

(More information about index of imputed rentals: [Methodological note](#).)

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to August 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 August** went up by 0.4%, **month-on-month** and 3.1%, **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in August 2021** amounted to 3.0% year-on-year (2.2% in July). In Slovakia, prices were higher by 3.3% in August and in Germany by 3.4%, 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 2.5% **in July** (0.3 percentage point up on June). The rise in prices was the highest in Estonia (4.9%) and the lowest in Malta (0.3%).

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

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