

# YEAR-ON-YEAR GROWTH OF FOOD PRICES SLOWED DOWN

## Consumer price indices – inflation – April 2023

Consumer prices decreased by 0.2%, month-on-month. This development came mainly from lower prices in 'food and non-alcoholic beverages'. The year-on-year growth of consumer prices amounted to 12.7% in April, which was 2.3 percentage points down on March.

### Month-on-month comparison

Consumer prices in April decreased by 0.2%, month-on-month. In 'food and non-alcoholic beverages', especially prices of vegetables decreased by 5.0%, eggs by 12.9%, UHT semi-skimmed milk by 12.3%, non-alcoholic beverages by 2.3%, oils and fats by 2.6%, poultry by 1.5%, smoked meat and sausages by 0.9% and sugar by 4.0%. In 'recreation and culture', prices of package holidays were lower by 5.9%. Price drop in 'alcoholic beverages, tobacco' came from lower prices of spirits by 3.0% and wine by 3.1%.

Month-on-month overall consumer price level increase in April came especially from price rise in 'furnishings, household equipment and routine household maintenance', where mainly prices of goods and services for routine household maintenance were higher by 3.7%. In 'restaurants and hotels', prices of catering services were higher by 0.7% and accommodation services by 2.2%. In food, prices of potatoes were higher by 12.5%, and pork by 1.9%, in particular.

Prices of goods in total dropped by 0.3%, while prices of services went up by 0.1%.

*“Consumer price development in April was considerably influenced by food prices. They moderated their year-on-year growth to approximately 17% and in comparison with March they even dropped. It was their first month-on-month decrease from October 2021,”* noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

### Year-on-year comparison

Consumer prices increased by 12.7% in April, i.e. 2.3 percentage points down on March. This **slowdown**<sup>1)</sup> of year-on-year price growth was mainly influenced by prices in 'food and non-alcoholic beverages' and in 'housing, water, electricity, gas and other fuels'. In food, most of consumer basket items moderated their price growth. Prices of flour in April were higher by 6.3% (increase by 32.6% in March), meat by 12.7% (increase by 22.7% in March), UHT semi-skimmed milk by 19.2% (increase by 45.2% in March), eggs by 41.2% (increase by 75.5% in March), oils and fats by 10.5% (increase by 16.1% in March), vegetables by 18.3% (increase by 29.9% in March) and sugar by 60.9% (increase by 97.6% in March). In 'housing, water, electricity, gas and other fuels', prices of electricity moderated their growth in April to 24.8% (increase by 29.6% in March), natural gas to 53.1% (increase by 60.0% in March) and heat and hot water to 40.9% (increase by 44.6% in March).

The biggest influence on **the growth of the year-on-year price level** in April came from prices in 'housing, water, electricity, gas and other fuels', where besides owner occupied housing costs, also prices of actual rentals<sup>2)</sup> increased by 6.9%, materials and services for maintenance and repair of the dwelling by 14.2%, water supply by 16.3%, sewage collection by 30.3% and solid fuels by 47.6%. Next in order of influence were prices in 'food and non-alcoholic beverages' (increase by 17.3%). In 'recreation and culture', prices of package holidays increased by 20.0%. In 'restaurants and hotels', prices of catering services increased by

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<sup>1)</sup> **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.

<sup>2)</sup> Actual rentals includes both newly concluded contracts and existing ones

17.6% and prices of accommodation services by 17.4%. Year-on-year price level decrease in April came from prices in 'transport' mainly due to prices of fuels, which were lower by 16.7%, year-on-year.

Owner occupied housing costs (imputed rentals) were higher by 4.9% (increase by 6.8% in March) mainly due to the growth of prices of construction works and construction materials. The overall consumer price index excluding owner occupied housing costs was 113.8%, year-on-year. (More information: [Methodological note](#).)

Prices of goods in total and services went up (14.5% and 10.1%, respectively).

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to April 2023 compared with the average CPI in the previous twelve months, amounted to 16.2% (16.4% in March).

Level of consumer price base index with base period the average of 2015 = 100, was 147.2% in April (147.5% in March).

### **Harmonized index of consumer prices (HICP)**<sup>3)</sup>

According to preliminary calculations, the HICP in Czechia **in April** dropped by 0.1% **month-on-month** and went up by 14.3% (16.5% in March), **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in April 2023** amounted to 7.0% year-on-year (6.9% in March), 14.0% in Slovakia and 7.6% in Germany. It was the highest in Latvia in April (15.0%). 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 8.3% **in March** (1.6 percentage points down on February). In March, the rise in prices was the highest in Hungary (25.6%) and the lowest in Luxembourg (2.9%).

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

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<sup>3)</sup> Imputed rentals are excluded from the HICP.