

YEAR-ON-YEAR PRICE GROWTH SLOWED DOWN

Consumer price indices – inflation – October 2020

Consumer prices in October increased by 0.2% compared with September. This development came primarily from price rise in 'food and non-alcoholic beverages' and in 'clothing and footwear', which was partially offset by price decrease in 'housing, water, electricity, gas and other fuels'. The year-on-year growth of consumer prices amounted to 2.9% in October, which was 0.3 percentage points down on September.

Month-on-month comparison

Price growth in 'clothing and footwear' came from higher prices of garments by 2.7% and shoes and other footwear by 3.3%. In 'food and non-alcoholic beverages', primarily prices of vegetables were higher by 6.6%, fruit by 1.5%, pork by 1.8% and yoghurts by 3.0%. In 'transport', mainly prices of motor cars went up by 0.9% and prices of automotive fuels and lubricants by 0.4%.

Month-on-month decrease in the overall consumer price level in October came primarily from price drop in 'housing, water, electricity, gas and other fuels', where prices of electricity were lower by 2.6% and natural gas by 4.3%. In 'alcoholic beverages, tobacco' prices of wine decreased by 4.4% and spirits by 2.9%. In food, mainly prices of sugar were lower by 10.6%, eggs by 3.7%, poultry by 1.1%, smoked meat and sausages by 0.6% and potatoes by 3.5%. Prices of potatoes reached value CZK 12.44 per kg, which was the lowest value since October 2016.

Both prices of goods in total and prices of services went up by 0.2%.

Year-on-year comparison

Consumer prices increased by 2.9% in October, i.e. 0.3 percentage points down on September. Slowdown in the year-on-year price growth occurred mainly in 'housing, water, electricity, gas and other fuels', where price growth of electricity decelerated to 4.8% (7.6% in September) and prices of natural gas turned from price rise by 0.4% in September into decline by 3.9% in October. In 'food and non-alcoholic beverages', price growth of meat slowed down to 4.7% (5.6% in September), fruit to 13.9% (20.6% in September), prices of sugar turned from rise by 17.4% in September into decline by 0.9% in October. The price drop of many kinds of food deepened. Prices of semi-skimmed UHT milk were lower by 8.2% in October (decrease by 5.5% in September), eggs by 4.4% (decrease by 0.4% in September) and potatoes by 18.5% (decrease by 10.4% in September). In 'alcoholic beverages, tobacco', price rise of spirits slowed down to 5.6% (8.5% in September), wine to 0.1% (2.1% in September) and beer to 4.2% (5.1% in September). Acceleration of year-on-year price rise occurred in 'transport', where prices of motor cars went up by 8.9% (7.7% in September).

The biggest influence on the growth of the year-on-year price level in October came, as before, from prices in 'alcoholic beverages and tobacco', where prices of alcoholic beverages increased by 3.5% and tobacco products by 14.1%. In 'food and non-alcoholic beverages', prices of pork went up by 5.1%, smoked meat and sausages by 5.9% and vegetables by 6.4%. In 'housing, water, electricity, gas and other fuels', prices of actual rentals were higher by 2.0%, water supply by 1.7% and sewage collection by 1.5%. In 'restaurants and hotels', prices of catering services increased by 5.3%. A reduction in the overall price level in October came again from prices in 'communication' (decrease by 3.2%).

Prices of goods in total and services went up (3.1% and 2.7%, respectively). The overall consumer price index excluding imputed rentals for housing was 103.1%, year-on-year.

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to October 2020 compared with the average CPI in the previous twelve months, amounted to 3.3%.

Harmonized index of consumer prices (HICP)¹⁾

According to preliminary calculations, the HICP in Czechia **in October** went up by 0.1%, **month-on-month** and 2.9%, **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in October 2020** amounted to –0.3% **year-on-year**, in Slovakia, prices were higher by 1.7% in October and on the contrary in Germany, prices were lower by 0.5%. 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 0.2% **in September** (0.2 percentage point down on August). The rise in prices was the highest in Poland (3.8%) and the deepest price reduction occurred in Greece (–2.3%). In Slovakia, prices were higher by 1.4% and in Germany prices decreased by 0.4%.

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

¹⁾ Imputed rentals are excluded from the HICP.