# 5. Prices

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| Price level went up in the economy in Q2. |  | The total price level in the economy measured by the GDP deflator increased by 3.3%, year-on-year, in Q2 2025. The increase strengthened slightly compared to the previous quarter. The year-on-year growth of the consumption price level strengthened (3.4%) under the influence of general government consumption prices (3.9%). The increase weakened slightly to 3.1% for households. The year-on-year price growth of capital expenditure was significantly higher (3.0%), although growth of the price level of expenditure on fixed capital formation weakened to 3.9%. Year-on-year terms of trade reached 100.4% in Q2 and terms of trade with goods (100.3%) as well as services (100.9%) were positive. Quarter-on-quarter growth of the price level in the economy strengthened to 1.3% in Q2. The total quarter-on-quarter increase of consumer prices remained unchanged (0.9%) – the decrease of the pace for households (0.5%) was offset by an acceleration for general government (1.9%). The price level of gross capital formation increased by 2.8%, quarter-on-quarter, in that fixed capital increased by 2.0%. Quarter-on-quarter terms of trade reached 100.1%, of which 100.3% were trade with goods and 98.8% with services. |
| Year-on-year growth of consumer prices slowed down in Q2. |  | The year-on-year increase of the consumer price index weakened to 2.4% in Q2 2025. The slowdown of the year-on-year dynamics was mainly due to a decline of transport prices and a slowdown of the growth of prices of alcoholic beverages and tobacco. The year-on-year development in the rest of the consumer basket was largely similar to the previous quarter. Food and non-alcoholic beverages maintained the strongest impact on total consumer price growth and the contribution of housing and energy prices strengthened slightly. Despite the slowdown of pace, prices of alcoholic beverages and tobacco made a significant contribution, and strong growth of prices of services continued to be evident, especially in sections recreation and culture and restaurants and hotels. Only prices of transport and clothing and footwear fell, year-on-year. The weakening of annual consumer price growth can also be attributed to a higher comparison basis for some items. On a quarter-on-quarter basis, consumer prices increased by 0.5% in Q2 and prices were higher in 10 divisions out of 12. Food and non-alcoholic beverages, housing and energy, and restaurants and hotels added the most to the quarter-on-quarter rise of the consumer prices. A decrease was recorded only for the prices of transport and recreation and culture. For the whole H1, consumer prices increased by 2.6%, year-on-year. |
| Prices of food and non-alcoholic beverages added to the growth the most. |  | The year-on-year increase of food and non-alcoholic beverages prices remained almost the same as Q1 and reached 5.2% in Q2. Quarter-on-quarter growth of their prices slowed to 1.0%. Year-on-year growth of prices of fruit (13.5%), milk, cheese and eggs (10.1%), meat (3.6%) and bakery products and cereals (2.2%) strengthened slightly. Strong year-on-year growth of prices of oils and fats (12.5%) and sugar and confectionery products (6.7%) weakened. Only vegetable prices fell (−2.6%). Prices of alcoholic beverages and tobacco maintained a strong influence on total consumer price growth despite a moderation of their year-on-year increase to 3.3% (up by 0.1%, quarter-on-quarter). Prices of alcoholic beverages decreased by 1.3%, year-on-year, while prices of tobacco were higher by 7.3%. |
| Growth of prices of housing and energies strengthened. |  | Housing and energy prices were raised by 1.9%, year-on-year, in Q2, thus strengthening the increase. Housing and energy costs increased by 0.5%, quarter-on-quarter. The strengthening of year-on-year dynamics was mainly due to imputed rentals[[1]](#footnote-2) (4.5%). Actual rentals for housing (6.0%), other services related to housing (4.0%) as well as routine maintenance and repairs of dwellings (3.4%) kept a significant increase of prices. Prices of electricity, heat, gas and other fuels maintained their decline by 3.3%. |
| Year-on-year growth of prices of food service and accommodation fell below 4% for the first time in almost four years. |  | Year-on-year growth of services prices continued to be significantly higher (4.9%, prices of goods increased in total by 0.9%). Prices of restaurants and hotels increased by 4.9%, year-on-year, in Q2 and fell below 5.0% for the first time since Q3 2021. Prices of restaurants and hotels were 1.5% higher, quarter-on-quarter. The year-on-year increase of prices of recreation and culture strengthened to 3.7% in Q2, but prices decreased by 0.2%, quarter-on-quarter. Growth in this division was strongly driven by prices of services – recreational and cultural services (5.8%) and package holidays (5.2%), while prices of goods rose only slightly – such as audio and video equipment and flowers or garden equipment and animal goods (both 1.3%). Prices of other goods and services[[2]](#footnote-3) increased by 3.2% (by 1.0%, quarter-on-quarter). The year-on-year increase of education prices remained strong (11.2%, by 0.1%, quarter-on-quarter). Health prices increased by 3.5%, year-on-year, but their quarter-on-quarter increase was the strongest of all divisions of the consumer basket (1.7%). |
|  |  | **Chart 10 Prices in the selected divisions of the consumer price index** (year-on-year in %) |
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|  |  | Source: CZSO |
| Transport prices were the reason for the moderation of year-on-year growth of consumer prices. |  | Prices of home furnishings, household equipment and repairs increased only slightly, year-on-year (1.4%, 0.7% quarter-on-quarter), where the increase of prices of household textiles (7.4%) particularly defied the rest of the division, while prices of goods and services for routine household maintenance were lower by 1.2%, year-on-year. Prices of postal services and telecommunications were higher by 0.3%, year-on-year. Transport prices fell into a year-on-year decline (−2.7%, a quarter-on-quarter decline of 1.0%) for the first time since the end of 2023 and affected the total slowdown of consumer price growth. The year-on-year development of transport prices was mainly impacted by a plunge of the cost of operation of personal transport equipment (−6.2%) driven by a decrease of fuel prices (−12.1%). Prices motor vehicle, motorcycle and bicycle purchases (0.6%) emerged from the year-on-year slump and the year-on-year increase of prices of transport services strengthened to 4.2%. Prices of clothing and footwear also decreased year-on-year (−1.8%). |
| Consumer prices of services in the EU have continued to rise. |  | The Harmonised Index of Consumer Prices in the EU (HICP)[[3]](#footnote-4) increased by 2.3%, year-on-year, in Q2. Prices increased the most, year-on-year, in education (4.7%), alcohol and tobacco (4.5%), food service and accommodation (4.1%) and other goods and services (4.0%). Services thus maintained very strong price dynamics. Growth of prices of food and non-alcoholic beverages also remained above average (3.5%). Only the prices of postal services and telecommunications (−2.3%) and transport (−0.4%) decreased in the EU, year-on-year. The HICP recorded the highest year-on-year growth in Romania (5.4%), Estonia (4.8%) and Hungary (4.4%). Consumer price growth was below one percent in Cyprus and France (both 0.8 percent). The total HICP increased by 1.1% in the Union, quarter-on-quarter, in Q2. Only housing and energy prices (−0.8%) and prices of postal services and telecommunications (−0.5%) decreased. On the contrary, prices of clothing and footwear rose sharply (7.7%), further prices of food services and accommodation (3.3%) and recreation and culture (1.4%) continued to rise. Prices fell, quarter-on-quarter, only in Bulgaria (−0.7%) and Belgium (−0.1%). By contrast, the HICP rose sharply in Malta (5.8%), Portugal (2.9%) and Greece (2.4%). |
|  |  | **Chart 11 Real estate prices** (year-on-year change, in %) |
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|  |  | Source: CZSO |
| Catalogue prices of dwellings outside Prague grew faster than in Prague. |  | Year-on-year growth of catalogue prices of dwellings in the Czech Republic further strengthened to 17.0% in Q2 2025. Mainly development of dwelling prices outside Prague stood behind it (a sharp acceleration to 17.9%), while catalogue prices of dwellings in Prague were higher by 16.2%, year-on-year. Quarter-on-quarter, the catalogue prices of dwellings increased in total by 3.5%, while the pace accelerated to 5.8% outside Prague and it slowed down to 1.5% in Prague. The realized prices of older dwellings developed similarly. While the year-on-year increase slowed down to 13.6% in Prague, the pace strengthened to 17.0% outside Prague. Consequently, this also resulted in an acceleration of the growth of realized prices of older dwellings in the Czech Republic to 16.3%. Quarter-on-quarter, the realized prices of older dwellings increased by 3.7% in the Czech Republic, of which the increase remained at 4.2% outside Prague and the increase moderated to 2.2% in Prague. The realised prices of new dwellings increased by 6.7%, quarter-on-quarter, in Prague in Q2 (the highest increase recorded) and by 15.6%, year-on-year. |
| Industrial producer prices dropped. |  | Industrial producer prices continued their previous stagnation with a year-on-year decline of 0.9% in Q2. Quarter-on-quarter, there was a decrease of 1.5%. Only prices of water supply and related services were higher, year-on-year (4.1%). On the contrary, the fall in mining and quarrying prices deepened to -4.2%, mainly under the influence of coal and crude oil prices. Quarter-on-quarter, mining and quarrying prices decreased by 0.5%. Prices of electricity, gas, steam and air conditioning decreased by 3.4%, year-on-year, and by 5.1%, quarter-on-quarter, in Q2. |
|  |  | **Chart 12 Prices of main groups of industrial producers** (year-on-year change, in %, based on CPA classification) |
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|  |  | Source: CZSO |
| Prices of coke and refined petroleum products have had a key impact on the development of prices in manufacturing. |  | Prices of manufacturing decreased by 0.2%, year-on-year, and by 0.5%, quarter-on-quarter. The development within the entire section was diverse, nevertheless both year-on-year and quarter-on-quarter dynamics were mainly influenced by a decline of the prices of coke and refined petroleum products[[4]](#footnote-5). For most divisions of the classification, prices were raised, year-on-year, or even increases strengthened. This was the case for prices of wood and wood products (up to 4.9%), other transport equipment (up to 4.2%) or food and pharmaceutical products (both up to 3.3%). Solid quarter-on-quarter price increases were also recorded for these divisions in Q2. Prices of clothing (4.7%) and repair, maintenance and installation of machinery and equipment (3.9%) rose significantly, although less than in the previous quarter. Significant divisions of computers, electronic and optical appliances and equipment (2.2%), machinery and equipment (1.6%) and motor vehicles (0.9%) also recorded a moderation of price growth – all of them saw prices fall, quarter-on-quarter. The year-on-year decrease of prices deepened in the case of chemicals and chemical products (−7.1%, the division often reacts sensitively to crude oil prices) and was maintained for basic metals (−2.5%) and electrical equipment (−0.9%). |
| Industrial producer prices fell in the EU, quarter-on-quarter. |  | The year-on-year increase of industrial producer prices weakened to 0.5% in the EU[[5]](#footnote-6) in Q2. A significant moderation concerned the growth of mining and quarrying prices (0.2%) and the prices of electricity, gas, steam and air-conditioning (2.1%). Prices of manufacturing stagnated, year-on-year. Industrial producer prices increased the most, year-on-year, in Bulgaria (11.0%), Greece (5.5%) and Hungary (3.7%). On the contrary, prices in Lithuania (−2.9%), Portugal (−2.6%) and Austria (−1.7%) had the most considerable decreases. Industrial producer prices fell by 3.2%, quarter-on-quarter, in the EU in Q2, the most since Q2 2023. Prices of electricity, gas, steam and air-conditioning (−11.9%), mining and quarrying (−3.5%) as well as manufacturing products (−0.4%) were lower. Industrial producer prices declined across the EU, except for Cyprus (0.9%), Slovenia (0.5%) and Malta (0.2%). The largest price drops were recorded in Ireland (−7.9%), Bulgaria (−7.3%) and Estonia (−5.8%). |
| Prices of construction works went up. |  | Prices of construction works featured gradual strengthening since the beginning of 2025 after slowing down last year. According to estimates, construction prices were 0.8% higher in Q2 compared to more accurate Q1. They increased by 3.2%, year-on-year. Prices of materials and products consumed in construction increased by 0.5%, quarter-on-quarter, in Q2 and increased by 0.9%, year-on-year. |
| The growth of prices of market services under the influence of advertising services and market research strengthened. |  | Market services prices followed up on the previous slowdown in Q2 by re-strengthening their year-on-year growth to 4.2%. Their quarter-on-quarter increase reached 2.3%. The acceleration of year-on-year growth was mainly influenced by prices of advertising services and market research, whose increase of 14.8% also contributed the most to the total growth of prices of market services. Prices of warehousing and support activities for transportation (6.3%), real estate services (3.8%) and programming and related consultancy activities (3.6%) also markedly supported the total year-on-year increase of prices of market services. Prices of programming and broadcasting activities (18.8%), security and investigation services (12.5%) and employment activities (10.1%) also increased significantly in Q2. Only prices of administrative, office support and other business support activities (−1.1%) and land and pipeline transport (−0.4%) decreased, year-on-year. |
| Year-on-year growth of agricultural producer prices accelerated. |  | Year-on-year growth of agricultural producer prices (including fishes) continued in Q2 and accelerated to 14.9%. Agricultural producer prices increased by 3.9%, quarter-on-quarter. Year-on-year growth of crop production prices increased significantly to 14.7%, mainly due to cereal prices (14.9%, growth of wheat and barley prices accelerated, while prices of rye and oats decreased) and vegetables and horticultural products (17.3%, prices of fresh vegetables and seedlings started to rise). Forage plants also switched from a slight decline to an increase of 9.6%. Prices of industrial crops were higher by 22.9%, year-on-year (oilseeds by 24.3%, prices of protein crops decreased by 4.4%). Fruit prices increased by 28.3%. On the contrary, potato prices were lower, year-on-year, in Q2 and the decrease deepened to -23.8%. Animals and animal products prices rose by 15.6%, year-on-year, and the increase also strengthened, but not as significantly as in the case of crop products. The growth of cattle prices accelerated to 28.0% and poultry prices to 6.0%. On the contrary, decrease continued for pigs and piglets (−9.8%). The increase of egg prices accelerated very significantly (41.8%), and milk prices also went up more strongly (19.7%). |
| Prices of exports of goods fell, year-on-year. |  | Export prices followed the previous five year-on-year increases with a decrease of 0.1% in Q2. They also declined, quarter-on-quarter (-1.7%). This was largely the result of development of the CZK exchange rate[[6]](#footnote-7) (especially against the dollar), which had a highly anti-inflationary effect in Q2. The year-on-year dynamics changed from growth to decline in products of manufacturing division (−0.3%). The deepening slump of the prices of coke and refined petroleum products to 20.7% had a significant impact, while the prices of basic metals also fell more (−3.0%). Prices of exports of chemical substances and preparations (−5.2%), leather goods (−2.1%), electrical equipment (−2.0%), other transport equipment (−1.8%) and computers, electronic and optical appliances (−1.5%) went from growth to year-on-year decline in Q2. The prices of exports of wood and wood products (8.1%), food products (4.1%) and basic pharmaceutical products and preparations (3.2%) rose the most. Quarter-on-quarter, prices of manufacturing goods and services decreased by 1.2%. The year-on-year decline of export prices was moderated to 8.6% in mining and quarrying division, but prices fell by 2.2%, quarter-on-quarter, i.e. more significantly than in the previous quarter. The year-on-year increase of electricity, gas, steam and air conditioning prices shrank significantly (3.2%), which was also related to their quarter-on-quarter decline of 21.2%. Growth of prices of agricultural, forestry and fishing products was also slower (7.6%, down 0.5% quarter-on-quarter). |
| Prices of imports of goods also fell. |  | Import prices of goods also decreased, specifically by 0.5%, year-on-year, in Q2. The quarter-on-quarter slump reached 2.5%. The quarter-on-quarter dive of 14.6% led to a deep year-on-year decrease of prices of mining and quarrying (-9.1%). Prices in manufacturing also started to decline (−0.1%, year-on-year, by 1.5%, quarter-on-quarter) and, similarly to exports, there was a significant deepening of the year-on-year decline of prices of coke and refined petroleum products. Year-on-year growth of prices of electricity, gas, steam and air-conditioning imports moderated (0.8%), which was again mainly due to a sharp quarter-on-quarter slump of 24.6%. On the contrary, for the prices of agricultural, forestry and fishery products, the strong year-on-year growth of import prices of 10.9% was maintained in Q2, despite a quarter-on-quarter decline of 6.0%. Year-on-year terms of international trade with goods reached 100.4% and quarter-on-quarter 100.8% in Q2. Trade in the area of mining and quarrying attained a positive term of trade, year-on-year (100.5%) as well as electricity, gas, steam and air-conditioning (102.3%). Negative year-on-year terms of trade were recorded for products of agriculture, forestry and fishing (97.0%) and manufacturing products (99.9%). |

1. Imputed rent expresses the cost of owner living. Apart from prices of housing themselves, it also contains the cost of construction and renovation and further fees. For more see: <https://csu.gov.cz/methodological-note-to-consumer-price-index-imputed-rentals>. [↑](#footnote-ref-2)
2. Contains services of personal care and personal needs and accessories, social care, insurance and further financial services etc. [↑](#footnote-ref-3)
3. Contrary to the consumer price index, which the CZSO compiles for the Czech economy, HICP does not contain imputed rent, which is the main reason for the difference between the HICP and Consumer price index. [↑](#footnote-ref-4)
4. Individual data. [↑](#footnote-ref-5)
5. Without prices of water distribution and services associated with wastewaters. [↑](#footnote-ref-6)
6. Based on the CNB data, the average CZK exchange rate per euro reached 24.921 CZK/EUR in Q2 2025. It was 24.958 CZK/EUR in Q2 2024 and 25.082 CZK/EUR in Q1 2025. The average CZK exchange rate per dollar was 21.985 CZK/USD in Q2 2025. It was 23.179 CZK/USD in the same period of year 2024 and it was 23.844 CZK/USD in Q1 2025. [↑](#footnote-ref-7)