

# YEAR-ON-YEAR PRICE GROWTH SLOWED DOWN FOR THE FOURTH CONSECUTIVE MONTH

## Consumer price indices – inflation – May 2023

Consumer prices increased by 0.3%, month-on-month. This development came mainly from higher prices in 'food and non-alcoholic beverages'. The year-on-year growth of consumer prices amounted to 11.1% in May, which was 1.6 percentage points down on April.

### Month-on-month comparison

Consumer prices in May increased by 0.3%, month-on-month. In 'food and non-alcoholic beverages', especially prices of fruit increased by 4.5%, smoked meat and sausages by 3.0%, eggs by 5.5%, non-alcoholic beverages by 1.4%, pork by 1.6% and potatoes by 6.0%. Price rise in 'alcoholic beverages, tobacco' came from higher prices of spirits by 3.9% and wine by 1.8%. In 'housing, water, electricity, gas and other fuels', prices of electricity rose by 0.6%, actual rentals by 0.5% and heat and hot water also by 0.5%. In 'restaurants and hotels', prices of catering services were higher by 0.7%. Price development in 'health' was influenced by seasonal price increase of stays at spas by 4.0%.

Month-on-month overall consumer price level decrease in May came especially from price drop in 'transport', mainly due to lower prices of fuels and lubricants for personal transport equipment by 3.9%. In food, prices of butter were lower by 4.2% and UHT semi-skimmed milk by 1.9%, in particular.

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

### Year-on-year comparison

*"Prices in May grew up by approximately 11% in comparison with last year and their year-on-year growth has already moderated since February. The only consumer price division where the prices in comparison with last year were even lower, was transport mainly due to decreasing prices of fuels. For example diesel was sold for CZK 31.72 per litre in average at petrol stations in May, which was the lowest value from August 2021,"* noted Pavla Sediva, head of Consumer Price Statistics Unit of CZSO.

Consumer prices increased by 11.1% in May, i.e. 1.6 percentage points down on April. This **slowdown**<sup>1)</sup> of year-on-year price growth was mainly influenced by 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 natural gas slowed their price growth in May to 47.6% (increase by 53.1% in April) and solid fuels to 39.4% (increase by 47.6% in April). In 'food and non-alcoholic beverages', prices of bread moderated their growth to 15.8% (increase by 21.1% in April), meat to 8.7% (increase by 12.7% in April), UHT semi-skimmed milk to 5.4% (increase by 19.2% in April), eggs to 32.3% (increase by 41.2% in April). This slowdown of year-on-year price growth came mainly from price development in last year. Prices of butter were lower by 19.7%, year-on-year (decrease by 6.3% in April).

The biggest influence on **the growth of the year-on-year price level** in May came again 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 6.8%, materials and services for maintenance and repair of the dwelling by 12.4%, water supply by 16.3%, sewage collection by 30.3%, electricity by 24.8% and heat and hot water by 41.3%. Next in order of influence were prices in 'food and non-alcoholic beverages', where prices of rice

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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

increased by 23.2%, margarine and other vegetable fats by 25.8%, vegetables by 21.5% (of which prices of potatoes were higher by 22.9%) and sugar by 58.7%. In 'recreation and culture', prices of package holidays increased by 17.8%. In 'restaurants and hotels', prices of catering services increased by 15.1% and prices of accommodation services by 14.5%. Year-on-year price level decrease in May came from prices in 'transport' mainly due to prices of fuels, which were lower by 22.6%, year-on-year.

Owner occupied housing costs (imputed rentals) were higher by 3.1% (increase by 4.9% in April). The overall consumer price index excluding owner occupied housing costs was 112.2%, year-on-year. (More information: [Methodological note](#).)

Prices of goods in total and services went up (12.5% and 8.9%, respectively).

Inflation rate, i.e. the increase in the average consumer price index in the twelve months to May 2023 compared with the average CPI in the previous twelve months, amounted to 15.8% (16.2% in April).

Level of consumer price base index with base period the average of 2015 = 100, was 147.6% in May (147.2% in April).

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

According to preliminary calculations, the HICP in Czechia **in May** increased by 0.3% **month-on-month** and 12.5% (14.3% in April), **year-on-year**. According to flash estimates of Eurostat, the MUICP (Monetary Union Index of Consumer Prices) **in May 2023** amounted to 6.1% year-on-year (7.0% in April), 6.3% in Germany. It was the highest in Latvia and Slovakia in May (both 12.3%). 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 8.1% **in April** (0.2 percentage points down on March). In April, the rise in prices was the highest in Hungary (24.5%) and the lowest in Luxembourg (2.7%).

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

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