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Svaz obchodu a cestovního ruchu ČR

ECONOMIC REPORT

CZECH TRADE AND TOURISM ASSOCIATION

AUGUST 2026

This report works with data published as of 19 August 2026

KEY MESSAGES

- **Inflation.** Consumer prices rose by 0.6% month-on-month in July, primarily due to a seasonal increase in the prices of organized vacations and tours. Year-on-year, consumer prices rose by 1.7%. Overall, prices for goods fell by 0.2% year-on-year, while prices for services rose by 4.7%.
- **Food prices.** In the food and non-alcoholic beverages category, prices fell by 0.4% month-on-month in July. Prices were significantly lower for eggs (by 11.3%), butter (by 12.2%), potatoes (by 9.8%), and semi-skimmed long-life milk (by 9.0%). Year-on-year, prices in this category fell by 3.1%.
- **Retail sales.** Retail sales (excluding motor vehicles) fell by 0.1% in real terms month-on-month in June. Sales of non-food goods fell by 0.3% and sales of food by 0.1%, while sales of motor fuels rose by 0.3%. Year-on-year, sales rose by 3.6% in real terms; sales of non-food goods rose by 5.4%, food sales by 2.1%, and fuel sales by 0.3%.
- **Labour market.** According to the Czech Statistical Office (CZSO), the unemployment rate stood at 3.3% in June, up 0.3 percentage points year-on-year. It reached 3.8% for women and 2.8% for men. As of the end of June, the Labour Office had 356,134 job seekers on its books, and the unemployment rate remained at 4.8%. It was highest in the Ústí nad Labem Region (7.2%) and the Moravian-Silesian Region (6.8%). Nationwide, there were an average of 3.6 job seekers per job opening.
- **Exchange rate.** From mid-July to mid-August, the koruna's exchange rate against the euro fluctuated within a narrow range of 24.149–24.261 CZK/EUR. On August 17, it reached 24.201 CZK/EUR, practically the same level as on July 17 (24.205 CZK/EUR). At its August meeting, the CNB Bank Board left the 2-week repo rate unchanged at 3.75%.
- **Household consumption.** According to the CNB's summer forecast, household consumption is expected to grow by 3.2% in 2026 and remain the main driver of growth in the Czech economy. GDP is projected to grow by 2.2% this year and by 2.7% in 2027. Consumer spending is supported by brisk wage growth and favourable household sentiment.

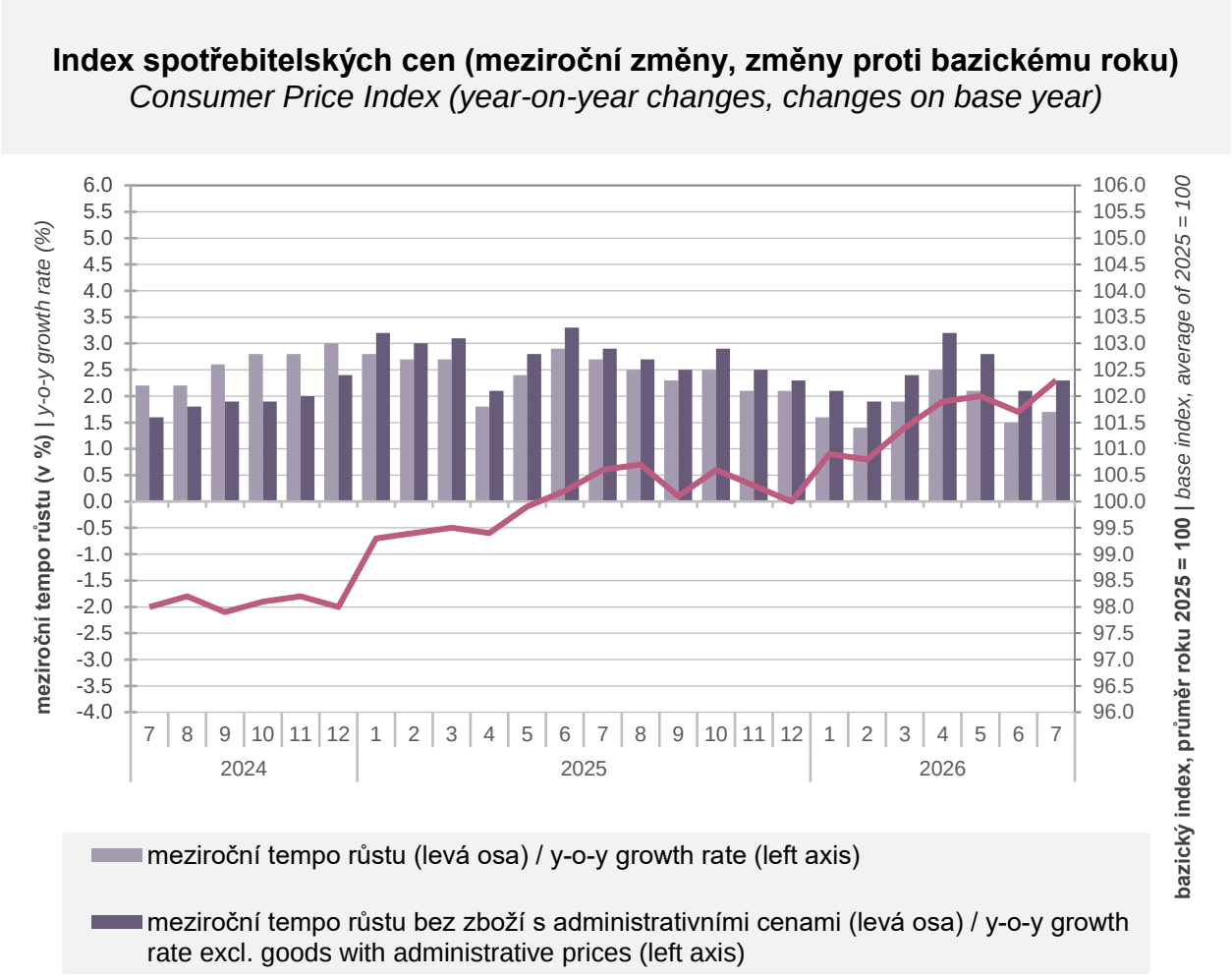
Indicator		Current value	Previous report
Inflation 07/2026	y-o-y	**+ 1,7 %**	**+ 1,5 %**
	m-o-m	**+ 0,6 %**	**– 0,3 %**
Food prices 07/2026	y-o-y	**– 3,1 %**	**– 3,4 %**
	m-o-m	**– 0,4 %**	**– 1,3 %**
Retail sales 06/2026	y-o-y	**+ 3,6 %**	**+ 4,7 %**
	m-o-m	**– 0,1 %**	**+ 1,3 %**
Unemployment rate 06/2026		**3,3 %**	**3,2 %**
CZK/EUR (17.08.2026)		**24,201**	**24,205**

INFLATION AND FOOD PRICES

In July, the price level rose by 0.6% month-on-month. The recreation, sports, and culture category contributed most significantly to the month-on-month price increase. Year-on-year inflation accelerated to 1.7%, which was 0.2 percentage points higher than in June.[1]

Month-on-month growth was driven primarily by organized vacations and tours (+23%), followed by fuels and lubricants (+3.5%) and housing rent (+0.8%). Food and non-alcoholic beverages had the opposite effect; fruit prices fell by 3.1%, pork by 3.9%, semi-skimmed long-life milk by 9%, potatoes by 9.8%, eggs by 11.3%, and butter by 12.2%.

FIGURE 1: CONSUMER PRICE INDEX



Data source: CZSO

[1] Consumer price indices - inflation - July 2026 | Rychlé informace

The slight acceleration in year-on-year inflation was mainly due to transportation. Fuel and lubricants were 16.8% more expensive in July (up 14.9% in June). Housing also continued to have a significant impact: rent rose by 6.1%, materials and services for minor repairs by 5.3%, water charges by 3.9%, sewage charges by 3.8%, and heating and hot water by 1.5%. Electricity, on the other hand, became 11.4% cheaper, and natural gas 5% cheaper.

The year-on-year decline continued for food and non-alcoholic beverages. Pork prices fell by 16.6%, semi-skimmed long-life milk by 41.9%, eggs by 14%, and butter by 41.2%. The average price of butter, at 117.54 CZK/kg, was the lowest since June 2010, and the price of semi-skimmed long-life milk, at 10.39 CZK/l, represents the lowest value since records began for this item. Food services rose by 4% year-on-year, and lodging services by 6.4%.

Imputed rent—that is, the cost of owner-occupied housing—rose by 5.7% year-on-year, following a 5.2% increase in June, primarily due to prices of new real estate and construction work. According to the CNB, core inflation rose from 2.8% to 3%. The central bank expects overall inflation to remain close to the 2% target for the rest of the year, though it should accelerate slightly during the second half of the year.

Measured by the Harmonized Index of Consumer Prices (HICP), food prices in the Czech Republic fell by 3.7% year-on-year in July. In the European Union, by contrast, they rose by an average of 0.5%. Among neighbouring countries, prices fell in Hungary (by 5%), Slovakia (by 2.6%), Poland (by 0.7%), and Austria (by 0.5%). Conversely, they rose in Germany (by 0.5%).[2]

RETAIL SALES

In June, retail sales excluding motor vehicles rose by 3.6% year-on-year in real terms but fell by 0.1% compared with May. Sales from the sale and repair of motor vehicles rose by 2.5% year-on-year and fell by 0.6% month-on-month.[3]

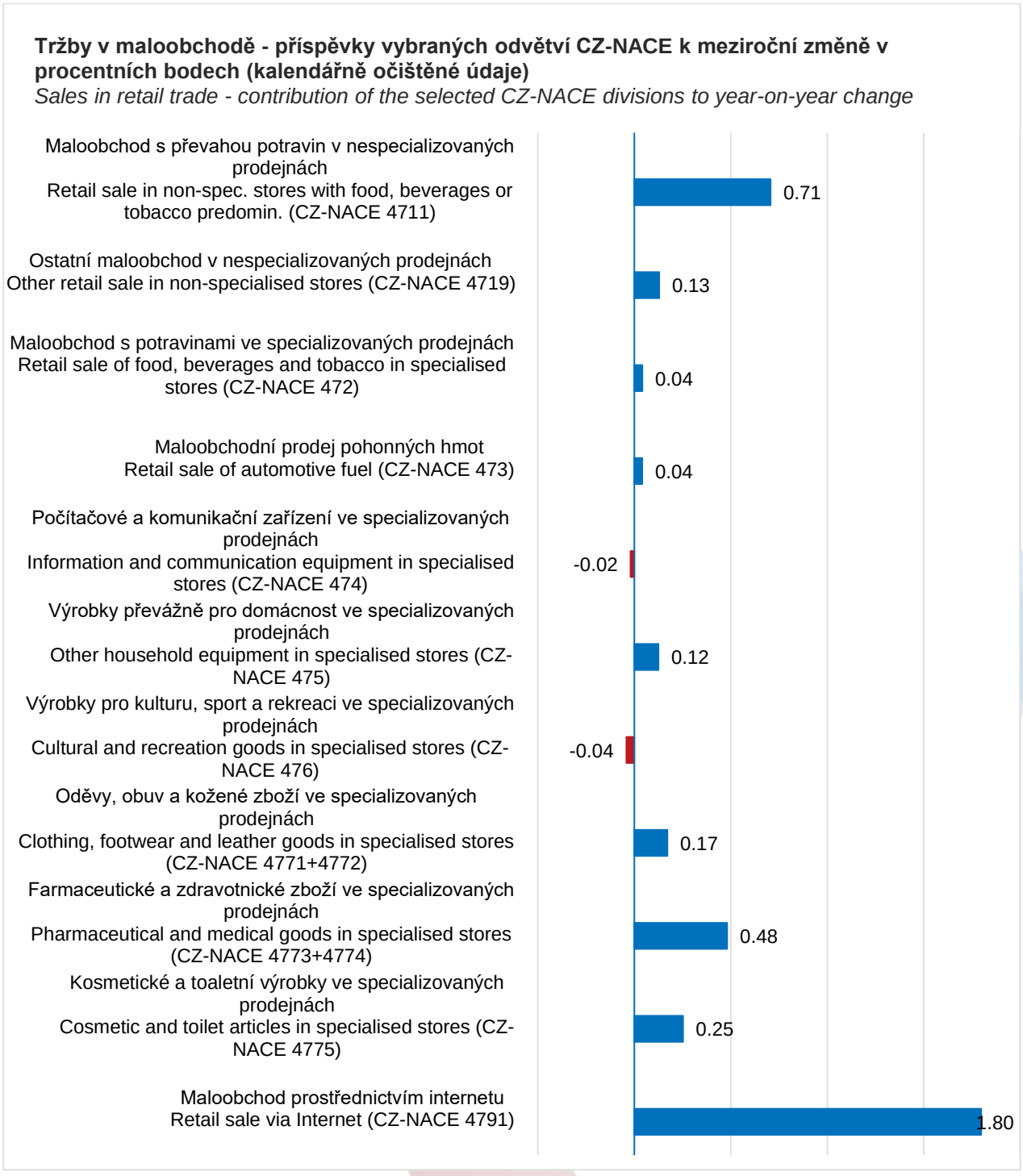
Compared with May, retail sales excluding motor vehicles decreased by 0.1%. Sales of non-food goods fell by 0.3% and food sales by 0.1%, while sales of motor fuels rose by 0.3%. Year-on-year, retail sales increased by 3.6%. Sales of non-food goods grew the fastest, by 5.4%; food sales increased by 2.1%; and fuel sales rose by 0.3%.

Online and mail-order retailers remained the most dynamic, with year-on-year sales growth of 12.6%. Sales rose by 2.2% in non-specialized food stores and by 7.4% in stores selling pharmaceutical and medical goods. In contrast, sales at stores selling computer and communication equipment fell by 1.5%, and sales of cultural, sports, and recreational goods declined by 1.1%. In the automotive sector,

[2] Eurostat Data Browser – HICP
[3] Retail trade - June 2026 | Rychlé informace

sales of vehicles, including replacement parts, rose by 3.0%, and sales of motor vehicle repairs increased by 0.8%.

FIGURE 2: RETAIL SALES (JUNE 2026)



Data source: CZSO

LABOUR MARKET

Data from the CZSO for June show the employment rate for people aged 15–64 at 75.5%, down 0.2 percentage points year-on-year. The rate was 80.0% for men and 71.1% for women. The economically active population accounted for 78.1% of the working-age population. The overall unemployment rate stood at 3.3%, up 0.3 percentage points from June of last year; it was 3.8% for women and 2.8% for men.[4]

At the end of June, the Labour Office also recorded 356,134 job seekers, an increase of 40,669 year-on-year. The unemployment rate remained at 4.8% compared to May. There were 1,542 more newly registered job seekers than in May and 5,300 more than a year ago.[5]

Regional disparities remain significant. The highest unemployment rates were recorded in the Ústí nad Labem Region (7.2%) and the Moravian-Silesian Region (6.8%). Among districts, Karviná and Most led the way, both at 10.2%, followed by Bruntál (8.2%), Chomutov (7.9%), and Sokolov (7.8%). Prague-East, Prague-West, and Rychnov nad Kněžnou remained below 3% unemployment. Compared to May, the unemployment rate rose by 0.1 percentage points in nine districts, remained unchanged in 30, and fell in 36.

The number of job openings rose to 99,854 in June, an increase of 5,474 compared to May. Nationwide, there were an average of 3.6 job seekers per opening. The greatest surplus of job seekers relative to job openings was in the districts of Karviná (18.2 job seekers per opening), Sokolov (16.4), Děčín (14.9), Ústí nad Labem (12.8), and Bruntál (10.3).

At the same time, the data point to a significant mismatch between the composition of job seekers and the supply of job openings. While in many regions there are several dozen job seekers per opening for administrative and certain specialized positions, employers continue to struggle to find workers in technical, manufacturing, transportation, and manual occupations. This trend confirms that, in addition to regional differences, skills mismatches remain a significant problem in the Czech labour market.

EXCHANGE RATE

During the period under review, the Czech koruna traded against the euro between 24.149 and 24.261 CZK/EUR. The exchange rate thus remained within a relatively narrow range. The average for the entire period was 24.201 CZK/EUR.[6]

[4] Rates of employment, unemployment and economic activity - June 2026 | Rychlé informace
[5] Nezaměstnanost v Česku v červnu zůstala na 4,8 %, počet volných míst se navýšil o více než 5 tisíc | ÚP
[6] Czech koruna (CZK)

The exchange rate trend consisted of two distinct phases. In the second half of July, the koruna initially strengthened and reached 24.149 CZK/EUR on July 24. It then began to lose ground and on August 7 weakened to 24.261 CZK/EUR, before partially reversing this move in the following days. On August 17, it closed at 24.201 CZK/EUR, virtually identical to the 24.205 CZK/EUR rate recorded on July 17. At its August meeting, the CNB Bank Board left rates unchanged, and the benchmark 2-week repo rate thus remains at 3.75%.[7]

FIGURE 3: DEVELOPMENT OF THE CZK/EUR EXCHANGE RATE

Data source: ECB

HOUSEHOLD CONSUMPTION AND ECONOMIC OUTLOOK

The CNB's summer forecast projects 2.2% growth for the Czech economy this year. In 2027, the growth rate is expected to accelerate to 2.7% and reach 2.5% in 2028. Household consumption is expected to be the key driver of this year's economic performance, supported by brisk wage growth and a positive fiscal impulse (primarily in the form of the transfer of fees for subsidized energy sources to the state and a temporary reduction in the excise tax on diesel). Fixed investment should also contribute significantly to growth, while net exports are expected to have the opposite effect.[8]

The CNB expects household consumption to rise by 3.2% in 2026 and by 3.1% in 2027. Nominal wages are projected to increase by 7.3% this year, and nominal gross disposable household income by 5 to 6%. From a trade perspective, it is significant that revenue growth in both services and retail has accelerated compared with the first quarter, and consumer sentiment remains historically above average. Meanwhile, the savings rate is expected to decline slightly, from 20% to approximately 19%.

[7] Bank Board decisions - Czech National Bank
[8] Monetary Policy Report – Summer 2026 - Czech National Bank