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**Inflation decreased to 0.8% in January 2021 (HICP: 1.0%)**

**Vienna**, 2021-02-23 – In January 2021, the **inflation rate** was 0.8%, as Statistics Austria reports (December 2020: 1.2%). The decline was primarily caused by lower prices for food. Housing, water and energy (+2.1% compared to January 2020) remained the most important price driver.

The consumer price index (CPI) for January 2021 is the first to be calculated and published with the new reference year 2020=100. Accordingly, the CPI 2020 was at 100.3, while the average price level decreased by 0.8% compared to December 2020.

"The inflation rate in Austria flattened further at the beginning of the year. At 0.8%, it is now well below the European Central Bank's target value, which is close to but below 2%. Inflation rates of less than 1% were last seen in May 2020 and over several months in 2015 and 2016," said Statistics Austria Director General Tobias Thomas.

The measures to contain COVID-19 and the ongoing "hard lockdown" (since December 2020) had a strong impact on the **calculation** of the January inflation rate. Several measures still affected the following sectors: retail (method used: internet price collection), supermarkets and drugstores (method used: scanner data), gastronomy, culture, tourism, entertainment, leisure, sport and personal services like hairdressers. Where necessary, different imputation methods like seasonal imputation, all items imputation or carry-forward were applied. In total, this affected about 19.6% of the weight of the basket of goods and services. For further in-depth explanation of the general principles and applied computation methods, please refer to the [methodological information note](#) (PDF, 1 MB) on the compilation of the CPI in the context of COVID-19.

The index level of the **harmonised index of consumer prices (HICP 2015)** was 109.01 in January 2021, with a harmonised inflation rate at 1.0%.

For more detailed information please refer to the [German version](#).