

German Inflation Climbs Back To 7.9% As ECB Readies Next Hike

(RTTNews) - Germany's consumer price inflation accelerated more-than-expected in August, after easing in the previous two months, to its highest level in almost half a century as the European Central Bank policymakers prepare to deliver at least a 50 basis points hike in interest rates next week.

The consumer price index rose 7.9 percent year-on-year in August, faster than the 7.5 percent increase in July, preliminary figures from Destatis showed on Tuesday. That was slightly above the 7.8 percent rise economists had expected.

Headline inflation has returned to its record high 7.9 percent, previously attained in May this year. The rate is the strongest since the winter of 1973-74, when mineral oil prices rose sharply as a result of the first oil crisis.

The EU measure of inflation, the harmonized index of consumer prices or HICP, climbed 8.8 percent year-on-year after an 8.5 percent increase in the prior month. That was in line with expectations.

Destatis said significant price increases on the upstream economic levels and the interrupted supply chains as a result of the corona pandemic have had a price-driving effect.

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