

Abstract

This thesis analyzes the effects of the 2022 energy crisis on changes in consumption patterns among Czech households, with the main focus on natural gas and other energy sources. We captured the effects using income and cross-price elasticity of expenditure shares of various goods. We calculated these elasticities from estimated parameters of a quadratic almost ideal demand system. The system parameters were estimated using the iterated feasible generalized non-linear least squares method on household-level data collected by PAQ Research. Demand for gas is income-elastic during the energy crisis, contrasting with other energy sources. Households made significant adjustments to their consumption of luxury goods and necessities in response to the high energy prices. The cross-price elasticity estimates show a decrease in expenditure shares of luxury goods and distant heat in relation to higher gas prices. Reduced healthcare and transport expenditure shares and increased solid fuels expenditure shares are related to higher electricity prices. In response to rising prices of necessities, households generally decrease expenditure shares of luxury goods. Households' reactions to the energy crisis are heterogeneous among socio-economic groups.