March 16, 2018

Industrial producer prices went down

Producer price indices – February 2018

In February 2018 compared with the previous month, agricultural producer prices and industrial producer prices both went down by 2.2% and 0.4%, respectively. Construction work prices went up by 0.1%. Prices of market services for businesses rose by 1.5%. In comparison to February 2017, agricultural producer prices grew by 3.2%. Construction work prices and prices of market services for businesses were both higher by 2.2%. Industrial producer prices fell by 0.3%.

# Month-on-month comparison:

**Agricultural producer** prices dropped by 2.2%. Prices of eggs (-23.6%), fruit (-15.0%), pigs for slaughter (-3.9%), milk (-3.4%), oil plants (-2.4%) and cattle for slaughter (-0.5%) went down. On the increase were prices of fresh vegetables (+6.9%) and potatoes (+4.0%).

Prices of **industrial producers** went down by 0.4%. Prices decreased especially in ‘coke, refined petroleum products’. Prices were lower in ‘food products, beverages, tobacco’ (-0.9%), thereof ‘preserved meat and meat products’ (-1.8%) and ‘dairy products’ (-1.6%). On the decrease were also prices in ‘transport equipment’ (-0.4%). Higher were prices primarily in ‘mining and quarrying’ (+1.5%).

According to an estimate, **construction work** prices increased by 0.1% and construction material input prices stayed unchanged.

Pricesof **market services for businesses** rose by 1.5% due to the price increasing of ‘employment services’ (+9.3%), ‘advertising and market research services’ (+7.1%), ‘security and investigation services’ (+6.0%), ‘postal and courier services’ (+5.3%), ‘insurance services’ (+3.4%), ‘real estate services’ (+2.6%) and ‘land transport services and transport services via pipelines’ (+0.8%). On the decrease were prices of ‘architectural and engineering services’ by 0.7%. Prices of market services for businesses excluding advertising services went up by 1.2%.

# Year-on-year comparison:

**Agricultural producer** prices were higher by 3.2% (+7.2% in January). Prices of crop products grew by 1.3% due to increasing prices of fruit (+69.9%), fresh vegetables (+13.8%) and cereals (+6.1%). Lower were prices of potatoes (-3.3%) and oil plants (-7.3%). Prices of animal products went up by 5.2%. Higher were prices of milk (+15.4%), cattle for slaughter (+3.2%) and eggs (+1.9%). Prices of pigs for slaughter (-12.5%) and poultry (-2.4%) went down.

Since December 2016, at the first time prices of **industrial producers** were lower by 0.3% y-o-y (+0.5% in January). Prices decreased the most significantly in ‘transport equipment’ (-4.0%), thereof ‘parts and accessories for motor vehicles’ (-6.2%). Prices went down in ‘chemicals and chemical products’ (-6.9%). On the decrease were also prices in ‘coke, refined petroleum products’. Prices increased particularly in ‘basic metals, fabricated metal products’ (+2.9%). On the increase were also prices in ‘mining and quarrying’ (+5.0%) and ‘electricity, gas, steam and air conditioning’ (+1.6%). Prices went up in ‘food products, beverages, tobacco’ (+0.1%), thereof ‘bakery and farinaceous products’ (+3.3%).

Among the main industrial groupings, prices of ‘capital goods’ (-1.7%) decreased the most year-on-year.

According to an estimate, **construction work** prices rose by 2.2% (like in January) and construction material input prices grew by 1.6% (+2.3% in January).

Pricesof **market services for businesses** were higher by 2.2% (+1.1% in January). Increasing were prices in ‘employment services’ (+15.5%), ‘security and investigation services’ (+8.1%), ‘legal services’ (+5.7%), ‘postal and courier services’ (+5.3%) and ‘insurance services’ (+3.4%). On the increase were also prices of ‘publishing services’ (+3.3%), ‘real estate services’ (+2.9%), ‘land transport services and transport services via pipelines’ (+1.3%) and ‘advertising and market research services’ (+1.6%). Lower were prices of ‘warehousing and support services for transportation’ by 2.5%. Prices of market services for businesses excluding advertising services increased by 2.1% (+1.1% in January).

**Industrial producer prices in the EU – January 2018 (preliminary data)**

According to the Eurostat News Releases, industrial producer prices increased in January by 0.4% (+0.1% in December) in EU28, **month-on-month.** The highest increase in prices was observed in Estonia (+2.9%). Prices were higher in Slovakia (+1.1%), the Czech Republic (+0.5%), Germany and Austria (+0.4% both) and Poland (+0.1%). The decrease was recorded only in Ireland (-0.4%).

Industrial producer prices were higher in January by 1.9% (+2.5% in December) in EU28, **year-on-year**. The largest increase in prices was recorded in Bulgaria (+5.6%). Prices went up in Slovakia (+2.1%), Germany (+2.0%), Austria and Poland (+1.4% both) and the Czech Republic (+0.5%). Decreases were observed only in Luxembourg (-3.7%) and Cyprus (-0.4%).

\* \* \*

**Information on revisions of agricultural producer price indices and price indices of market services (business to business)**

Based on the standard revision of the price index calculation, since January 2018, agricultural producer price indices and price indices of market services (business to business) are calculated on new weights and with a new index base.

Price **indices of** **agricultural producers** are calculated for a new index base 2015 average = 100 on new weighting schemes, based on the weighting structure of the average sales for the years 2014, 2015 and 2016. Due to update the weights, the published aggregate base indices for the years 2015, 2016 and 2017 were revised. Time series with the index base 2010 average = 100 were ended by December 2017.

Price **indices of market services (business to business)** are calculated for a new index base 2015 average = 100 on new weighting schemes, based on the structure of the sales for the year 2015. Time series with the index base 2005 average = 100 were ended by December 2017 and replaced with new time series with the index base 2015 average = 100. The existing published indices haven´t been revised.

More detailed information is available on the [CZSO](https://www.czso.cz/csu/czso/revisions_producer_prices) website.

*Notes:*

*Responsible manager of the CZSO: Jiri Mrazek, Department Director, phone (+420) 274 052 533,*

*e-mail:* *jiri.mrazek@czso.cz*

*Contact: Jiri Sulc, phone (+420) 274 052 148, e-mail:* *jiri.sulc@czso.cz*

 *Miloslav Beranek, phone (+420) 274 052 665,*

 *e-mail:* *miloslav.beranek@czso.cz*

*Data source: CZSO surveys*

*End of data collection / End of data processing:*

*Agricultural producer price indices: 26th calendar day of reference month / 8th calendar day of the following month*

*Industrial producer price indices: 20th calendar day of reference month / 9th calendar day of the following month*

*Market services price indices (business to business): 20th calendar day of reference month / 9th calendar day of the following month*

*Except for the construction work price indices, the published data are finalised. Estimates of the construction work price indices are carrying out on the 9th calendar day of the following day. Construction work price indices are updated using the finished quarterly survey and the finalised data are released on the 46th calendar day of the following quarter.*

*Related publications: 011041 - 18**Price Indices of Constructions Works, Price Indices of Constructions and Indices of Construction Costs*

*011044 - 18 Industrial Producer Price Indices*

*011045 - 18 Agricultural Producer Price Indices*

*011046 - 18 Market Services Price Indices in the Business Sphere*

*Internet:* [*https://www.czso.cz/csu/czso/producer-prices-publications*](https://www.czso.cz/csu/czso/producer-prices-publications)

*Next News Release: 18 April 2018*

***Text not edited for language.***

Annexes:

Table 1: Producer Price Indices

Table 2: Industrial Producer Price Index by Main Industrial Groupings

Table 3: Industrial Producer Price Index (breakdown of the growth - month-on-month, year-on-year)

Chart: Industrial Producer Price Indices (year-on-year changes, changes on base year 2015)

Chart: Construction Output Price Indices (year-on-year changes, changes on base year 2015)

Chart: Price Indices of Market Services for Businesses (year-on-year changes, changes on base year 2015)

Chart: Agricultural Producer Price Indices (year-on-year changes, changes on base year 2015)

Chart: Industrial Producer Price Indices – international comparison (changes on base year 2015)