January 16, 2018

The rise of prices in 2017 was dominated by agriculture

Producer price indices – December 2017

In December 2017 compared with the previous month, agricultural producer prices fell by 2.4% and prices of market services went down by 0.5%. Industrial producer prices and construction work prices both went up by 0.3%. In comparison to December 2016, agricultural producer prices rose by 8.0% and industrial producer prices grew by 0.7%. Construction work prices and prices of market services were both higher by 1.9%.

**In comparison with the year 2016, on average for the whole year 2017 prices of agricultural producers (+8.0%), industrial producers (+1.8%), construction works (+1.6%) and market services (+1.3%) were all higher.**

# Month-on-month comparison:

**Agricultural producer** prices fell by 2.4%. Prices of fresh vegetables (-23.2%), potatoes
(-7.6%), pigs for slaughter (-3.2%) and poultry (-1.8%) went down. On the increase were prices of eggs (+4.9%), milk (+1.8%) and cereals (+0.4%).

Prices of **industrial producers** increased by 0.3%. Prices rose in ‘chemicals and chemical products’ (+2.2%). Prices were higher in ‘transport equipment’ and ‘basic metals, fabricated metal products’ (+0.6% both). On the increase were also prices in ‘coke, refined petroleum products’. Prices went down in ‘food products, beverages, tobacco’ (-0.3%), thereof ‘dairy products’ (-2.3%) and ‘preserved meat and meat products’ (-0.3%).

According to an estimate, **construction work** prices increased by 0.3% and construction material input prices stayed unchanged.

**Market services** prices **in the business sphere** decreased by 0.5% due to the price decreasing of ‘advertising and market research services’ (-5.4%), ‘employment services’ (-2.5%) and ‘rental and leasing services’ (-0.6%). On the increase were prices of ‘warehousing and support services for transportation’ by 0.5%. Market services prices excluding advertising services went down by 0.1%.

# Year-on-year comparison:

**Agricultural producer** prices were higher by 8.0% (+10.1% in November). Prices of crop products grew by 3.3% due to increasing prices of fresh fruit (+69.0%) and cereals (+7.4%). Lower were prices of fresh vegetables (-4.7%) and potatoes (-4.6%). Prices of animal products went up by 14.0%. Higher were prices of eggs (+65.2%), milk (+28.8%) and cattle for slaughter (+3.2%). Prices of pigs for slaughter went down by 6.4%.

Pricesof **industrial producers** were higher by 0.7% (+0.9% in November). Prices increased the most significantly in ‘basic metals, fabricated metal products’ (+5.3%). Prices rose in ‘food products, beverages, tobacco’ (+1.5%), thereof ‘dairy products’ (+5.6%) and ‘bakery and farinaceous products’ (+4.0%). Higher were also prices in ‘mining and quarrying’ (+3.6%) and ‘coke, refined petroleum products’. Prices decreased in ‘transport equipment’ (-3.3%), thereof ‘parts and accessories for motor vehicles’ (-5.2%). On the decrease were also prices in ‘electricity, gas, steam and air conditioning’ (-1.1%).

Among the main industrial groupings, prices of ‘intermediate goods’ (+2.3%) increased the most.

According to an estimate, **construction work** prices rose by 1.9% (+1.8% in November) and construction material input prices grew by 2.1% (like in November).

Prices of **market services** **in the business sphere** were higher by 1.9% (+1.6% in November). Increasing were prices in ‘advertising and market research services’ (+9.0%) and ‘employment services’ (+7.3%). Market services prices excluding advertising services increased by 1.3% (+1.5% in November).

**Producer prices in 2017**

In comparison to 2016, **agricultural producer** prices in 2017 were higher by 8.0% on average
(-4.9% in 2016). Prices of crop products grew by 3.4% and prices of animal products increased by 14.1%. Prices of fruit (+39.4%), oil plants (+3.6%) and cereals (+1.4%) were higher. Lower were prices of potatoes (-9.0%) and fresh vegetables (-8.2%). Among animal products prices increases were recorded in milk (+25.7%), eggs (+20.1%), pigs for slaughter (+11.1%) and cattle for slaughter (+2.3%). Prices of poultry fell by 2.1%.

Prices of **industrial producers** increased by 1.8% in 2017 y-o-y (-3.3% in 2016). Prices went up primarily in ‘coke, refined petroleum products’. Prices were higher in ‘basic metals, fabricated metal products’ (+5.3%) and ‘mining and quarrying’ (+3.8%). Prices rose in ‘food products, beverages, tobacco’ (+2.6%). Prices fell in ‘transport equipment’ (-2.2%). Lower were prices also in ‘electricity, gas, steam and air conditioning’ (-1.2%).

According to an estimate, **construction work** prices went up by 1.6% y-o-y (+1.1% in 2016 after the specification). Construction material input prices rose by 2.0% on average for the whole year 2017 (-1.1% in 2016).

**Market services** prices in the business sphere went up by 1.3% (+0.1% in 2016). Increasing were prices of ‘postal and courier services’ (+4.5%), ‘insurance, reinsurance and pension funding services, except compulsory social security’ (+4.1%), ‘advertising and market research services’ (+2.7%), ‘architectural and engineering services’ (+1.4%) and ‘land transport services and transport services via pipelines’ (+0.4%). On the decrease were prices in ‘telecommunications services’ by 0.8%. Market services prices excluding advertising services increased by 1.1% (in 2016 stayed unchanged).

**Industrial producer prices in the EU – November 2017 (preliminary data)**

According to the Eurostat News Releases, industrial producer prices increased in November by 0.6% (+0.4% in October) in EU28, **month-on-month.** The highest increase in prices was observed in the Netherlands (+1.9%). Prices were higher in Austria (+0.8%), Poland (+0.3%), Slovakia (+0.2%) and Germany (+0.1%). Prices fell in the Czech Republic (-0.1%). Prices decreased the most in Cyprus (-0.5%).

Industrial producer prices were higher in November by 3.1% (+2.7% in October) in EU28, **year-on-year**. Prices rose in all Member States, the most in Belgium (+7.1%). Prices increased in Poland (+3.6%), Germany (+2.3%), Slovakia (+2.4%), Austria (+2.1%) and the Czech Republic (+0.9%).

\* \* \*

**Information on revisions of agricultural producer price indices and price indices of market services**

The Czech Statistical Office is finishing a **revision of the calculation of agricultural producer price indices and price indices of market services**, which is a change of the weighting scheme and change of the index base since January 2018. However, there is no major change in the index calculation methodology.

Price **indices of** **agricultural producers** will be calculated for a new index base 2015 average = 100 on new weighting schemes, based on the 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 will be revised. Time series with the index base 2010 average = 100 will be ended by December 2017.

Price **indices of market services** will be 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 will be ended by December 2017 and replaced with new time series with the index base 2015 average = 100. The existing published indices will not be revised.

The publication of price indices for January 2018 will be published in line with the Catalogue of Products 2018 on 28 February 2018.

*Notes:*

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*Data source: CZSO surveys*

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

*Agricultural producer price indices: 24th calendar day of reference month / 8th calendar day of the following month*

*Industrial producer price indices: 20th calendar day of reference month / 7th calendar day of the following month*

*Construction work price indices: last calendar day of reference month / 5th working day of the following month*

*Market services price indices: 15th calendar day of reference month / 7th 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 45th calendar day of the following quarter.*

*Related publications: 011041 - 17**Price Indices of Constructions Works, Price Indices of Constructions and Indices of Construction Costs*

*011044 - 17 Industrial Producer Price Indices*

*011045 - 17 Agricultural Producer Price Indices*

*011046 - 17 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: 28 February 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 2005)

Chart: Price Indices of Market Services for the Business Sphere (year-on-year changes, changes on base year 2005)

Chart: Agricultural Producer Price Indices (year-on-year changes, changes on base year 2010)

Chart: Industrial Producer Price Indices – international comparison (changes on base year 2010)