October 17, 2016

****Producer prices slightly increased m-o-m****

Producer price indices – September 2016

In September 2016 compared with the previous month, agricultural producer prices were higher by 4.2% and industrial producer prices went up by 0.3%. Construction work prices and prices of market services grew by 0.2% and 1.1%, respectively. In comparison to September 2015, agricultural producer prices fell by 3.4% and industrial producer prices also decreased by 2.4%. Construction work prices increased by 1.0% and prices of market services went up by 0.3%.

# Month-on-month comparison:

**Agricultural producer** prices rose by 4.2%. Prices of eggs (+9.0%), fruit (+4.6%) and poultry (+1.7%) went up. Prices of pigs for slaughter and milk were both higher by 1.3%. Prices of fresh vegetables (-4.5%) and cattle for slaughter (-0.7%) went down.

Prices of **industrial producers** went up by 0.3%. Prices increased primarily in ‘coke, refined petroleum products’. Prices were higher in ‘food products, beverages, tobacco’ (+0.4%), thereof ‘dairy products’ (+2.3%) and ‘preserved meat and meat products’ (+0.6%). On the decrease were prices in ‘mining and quarrying’ and ‘electrical equipment’ (-0.2% both).

According to an estimate, **construction work** prices rose by 0.2% and construction material input prices fell by 0.1%.

**Market services** prices **in the business sphere** grew by 1.1%. On the increase were prices of ‘advertising and market research services’ by 15.8%. Prices of ‘computer programming, consultancy and related services’ fell by 0.3%. Market services prices excluding advertising services stayed unchanged.

# Year-on-year comparison:

**Agricultural producer** prices were lower by 3.4% (-6.9% in August). Prices of crop products went down by 3.4%. Lower were prices of fresh vegetables (-19.8%), cereals (-12.3%), oil plants (-3.3%) and potatoes (-8.5%). Prices of animal products fell by 3.5% due to decreasing prices of milk (-13.2%), eggs (-6.2%) and cattle for slaughter (-1.6%). Higher were prices of pigs for slaughter by 9.9%.

Pricesof **industrial producers** decreased by 2.4% (-3.4% in August). The highest decreases were recorded in ‘coke, refined petroleum products’. Prices went down more significantly in ‘electricity, gas, steam and air conditioning’ (-4.1%). Prices decreased in ‘basic metals, fabricated metal products’ (-2.5%) and ‘food products, beverages, tobacco’ (-2.0%), thereof ‘dairy products’ (-5.8%), ‘grain mill products, starches and starch products’ (-4.3%) and ‘bakery and farinaceous products’ (-2.5%). Prices rose in ‘water supply, sewerage, waste management and remediation services’ (+1.6%) and ‘furniture, other manufactured products’ (+0.7%), thereof ‘repair services of fabricated metal products, machinery and equipment’ (+0.7%).

Among the main industrial groupings, prices of ‘energy’ (-5.0%) decreased the most, y-o-y.

According to an estimate, **construction work** prices rose by 1.0% (+0.9% in August) and construction material input prices fell by 0.7% (-0.9% in August).

Prices of **market services** **in the business sphere** grew by 0.3% (+0.1% in August). Increasing were prices in ‘postal and courier services’ (+5.6%) and ‘advertising and market research services’ (+3.5%). On the decrease were prices of ‘land transport services and transport services via pipelines’ (-0.9%) and ‘insurance, reinsurance and pension funding services, except compulsory social security’ (-3.4%). Market services prices excluding advertising services stayed unchanged (four months in a row).

# Industrial producer prices in the EU – August 2016\*

According to the Eurostat News Releases, industrial producer prices decreased in August by 0.2% (+0.3% in July) in EU28, **month-on-month.** Among the Member States for which data are available, the largest decreases were observed in the Netherlands (-1.9%), Croatia (-1.4%) and Ireland (-1.1%). Prices went down in Slovakia (-0.5%), the Czech Republic (-0.2%) and Germany (-0.1%) and remained stable in Austria and Poland. Prices increased the most in Latvia (+0.9%) and Sweden (+0.4%).

Industrial producer prices fell in August by 1.6% (-2.3% in July) in EU28, **year-on-year.** The highest decreases were observed in Luxembourg (-7.1%), the Netherlands (-6.6%) and Croatia (-5.0%). Prices decreased in Slovakia (-4.9%), the Czech Republic (-3.4%), Austria (-2.4%) and Germany (-1.6%) and rose in Poland (+0.1%). The highest increases were recorded in the United Kingdom (+1.4%) and Malta (+1.0%).

*\* Preliminary data*

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# Information on the revision of the industrial producer price index

Currently we are preparing a revision of the calculation of industrial producer price index, which is a change from the original weighting structure for 2010 (domestic sales) on the new weighting structure of the year 2015 (domestic sales). There will be a slight variation of weights on the level of some aggregation of CZ-CPA on the three-digit and four-digit levels and a number of changes in the selection of reporting units and representatives. However, there was no fundamental change in the methodology for calculating indices.

Since January 2017 basic time series of basic indices 2005 average = 100 will be replaced by time series with the base 2015 average = 100. Price indices with the base December 2010 = 100 will be replaced with new price base December 2015 = 100. Thus calculated indices will be from the four-digit level of CZ-CPA (and up) of the weighting scheme chained to the indices with the index base 2015 average = 100 and 2005 average = 100. This will ensure the continuation of the existing time series. Time series with the index base December 2005 = 100 will be ended by December 2016. Derived indices (month on month, year on year, ratio of rolling averages) will be calculated from the basic series 2015 average = 100.

Publication of price indices for January 2017 will be postponed in accordance with ‘Catalogue of Products 2017’ by one week to February 22, 2017.

*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 - 16**Price Indices of Constructions Works, Price Indices of Constructions and Indices of Construction Costs*

*011044 - 16 Industrial Producer Price Indices*

*011045 - 16 Agricultural Producer Price Indices*

*011046 - 16 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: 16 November 2016*

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

Annexes:

Table 1: Producer prices (indices)

Table 2: Industrial producer prices (main industrial groupings, indices)

Table 3: Industrial producer prices (decomposition of increases – month-on-month, year-on-year)

Graph 1: Industrial producer prices (year-on-year changes, changes on base year 2005)

Graph 2: Construction work prices (year-on-year changes, changes on base year 2005)

Graph 3: Prices of market services for the business sphere (year-on-year changes, changes on base year 2005)

Graph 4: Agricultural producer prices (year-on-year changes, changes on base year 2010)

Graph 5: Industrial producer price indices – international comparison (changes on base year 2010)