January 18, 2016

2015: Historically the biggest slump in industrial producer prices

Producer price indices – December 2015

In December 2015 compared with the previous month, industrial producer prices were lower by 0.4% and prices of market services went down by 0.8%. Agricultural producer prices were higher by 0.8%. Construction work prices stayed unchanged. In comparison to December 2014, industrial producer prices fell by 2.9% and prices of market services decreased by 0.3%. Agricultural producer prices grew by 1.1% and construction work prices increased by 1.3%.

**In comparison with the year 2014, on average for the whole year 2015 prices of agricultural producers and industrial producers were both lower by 6.0% and 3.2%, respectively. Prices of construction works were higher by 1.2%. Prices of market services stayed unchanged.**

# Month-on-month comparison:

**Agricultural producer** prices increased by 0.8%. Prices of poultry (+3.2%), vegetables and milk (+1.7% both) and oil plants (+1.0%) went up. Prices of fruit (-5.9%) and pigs for slaughter (-4.5%) went down.

Prices of **industrial producers** went down by 0.4%. Lower were prices primarily in ‘coke, refined petroleum products’. Prices fell in ‘basic metals, fabricated metal products’ (-0.7%) and ‘food products, beverages, tobacco’ (-0.5%). Prices decreased the most in ‘preserved meat and meat products’ (-1.4%), on the other hand, rose in ‘vegetable and animal oils and fats’ (+0.8%) and ‘other food products’ (+0.6%). On the increase were prices in ‘chemicals and chemical products’ (+1.2%).

According to an estimate, **construction work** prices stayed unchanged and construction material input prices fell by 0.4%.

**Market services** prices **in the business sphere** were lower by 0.8% due to the price decreasing of ‘advertising and market research services’ (-9.8%). Market services prices excluding advertising services stayed unchanged.

# Year-on-year comparison:

**Agricultural producer** prices grew by 1.1% (like in November). Prices of crop products went up by 10.0%. Higher were prices of vegetables (+84.0%), potatoes (+59.9%), fruit (+19.0%), oil plants (+12.3%) and cereals (+4.9%). Prices of animal products went down by 9.2% due to decreasing prices of milk (-17.5%), eggs (-8.5%) and pigs for slaughter (-5.1%). On the increase were prices of cattle for slaughter (+3.1%) and poultry (+0.6%).

Pricesof **industrial producers** went down by 2.9% (-3.7% in November).Lower were prices particularly in ‘coke, refined petroleum products’. Prices decreased in ‘chemicals and chemical products’ (-7.1%) and ‘basic metals, fabricated metal products’ (-4.6%). Prices went down in ‘food products, beverages, tobacco’ (-1.6%), thereof ‘dairy products’ (-6.6%), ‘preserved meat and meat products’ (-2.9%) and ‘bakery and farinaceous products’ (-1.6%). On the increase were prices in ‘water supply, sewerage, waste management and remediation services’ (+3.4%). Prices rose in ‘furniture, other manufactured products’ (+1.4%), thereof particularly ‘installation services of industrial machinery and equipment’ (+2.5%) and ‘repair services of fabricated metal products, machinery and equipment’ (+1.5%).

Among the main industrial groupings, prices of ‘energy’ (-5.7%) decreased the most, y-o-y.

According to an estimate, **construction work** prices rose by 1.3% (like in November) and construction material input prices fell by 1.4% (-1.2% in November).

Prices of **market services** **in the business sphere** fell by 0.3% (in November stayed unchanged). Decreasing were prices in ‘information services’ (-2.7%), ‘land transport services and transport services via pipelines’ (-2.1%), ‘real estate services’ (-1.1%) and ‘insurance, reinsurance and pension funding services’ (-0.9%). On the increase were prices of ‘postal and courier services’ (+6.9%) and ‘publishing services’ (+2.9%). Market services prices excluding advertising services were lower by 0.4% (like in November).

**Producer prices in 2015**

In comparison to 2014, **agricultural producer** prices in 2015 were lower by 6.0% on average (-3.7% in 2014). Prices of crop products fell by 2.2% and prices of animal products decreased by 10.5%. Prices of oil plants (-2.8%), cereals (-5.6%) and potatoes (-9.2%) were lower. Prices of fruit (+12.9%) and vegetables (+30.6%) were higher. Among animal products prices decreases were recorded in pigs for slaughter (-12.0%) and milk (-17.2%). Prices of cattle for slaughter and eggs were both higher by 2.7% and 0.5%, respectively.

Prices of **industrial producers** went down by 3.2% in 2015 y-o-y (-0.8% in 2014). Prices went down primarily in ‘coke, refined petroleum products’. Prices were lower in ‘chemicals and chemical products’ (-11.6%), ‘food products, beverages, tobacco’ (-2.5%) and ‘basic metals, fabricated metal products’ (-1.5%). Prices rose in ‘water supply, sewerage, waste management and remediation services’ (+3.4%) and ‘furniture, other manufactured products’ (+1.6%).

According to monthly estimates, **construction work** prices went up by 1.2% y-o-y (+0.5% in 2014 after the specification). Construction material input prices went down by 0.4% on average for the whole year 2015 (+1.1% in 2014).

**Market services** prices in the business sphere stayed unchanged (+0.3% in 2014). Increasing were prices of ‘postal and courier services’ (+6.4%) and ‘financial services, except insurance and pension funding’ (+3.0%). On the decrease were prices in ‘land transport services and transport services via pipelines’ (-1.4%) and ‘information services’ (-1.7%). Market services prices excluding advertising services were lower by 0.1% (+0.5% in 2014).

# Industrial producer prices in the EU – November 2015\*

According to the Eurostat News Releases, industrial producer prices decreased in November by 0.3% (like in October) in EU28, **month-on-month.** Among the Member States for which data are available, the largest decreases were observed in Cyprus (-1.6%), Estonia (-1.1%) and Denmark (-0.9%). On the decrease were prices in the Czech Republic (-0.4%), Austria (-0.3%) and Germany (-0.2%). Prices rose in Poland (+0.1%) and Slovakia (+0.2%). The highest increase was registered in Malta (+0.3%).

Industrial producer prices decreased in November by 3.5% (-3.6% in October) in EU28, **year-on-year.** Prices fell in all Member States, with the largest decreases in Lithuania (-9.0%), the Netherlands (-8.1%) and the United Kingdom (-7.0%). On the decrease were prices in Slovakia (-5.2%), the Czech Republic (-3.7%), Austria (-2.8%), Germany (-2.4%) and Poland (-1.8%).

*\* Preliminary data*

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

*011039 - 15 Producer Price Indices – Basic Information*

*011044 - 15 Industrial Producer Price Indices*

*011045 - 15 Agricultural Producer Price Indices*

*011046 - 15 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)

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***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)