28 February 2023

Industrial producer prices rose significantly m-o-m in January

Producer price indices – January 2022

Agricultural producer prices grew by 1.7% month-on-month (m-o-m) and rose by 25.5% year-on-year (y-o-y). Industrial producer prices went up m-o-m (+5.8%) and y-o-y (+19.0%). Construction work prices were higher m-o-m (+0.6%) and y-o-y (+11.4%). Service producer prices in the business sphere decreased m-o-m (-0.3%) and increased y-o-y (+6.3%).

*“Compared to December, prices of industrial producer increased by almost 6% in January. From the year-on-year comparison, prices in industry increased by 19%, where energy prices had the biggest impact, which rose more than by 34%. Prices of electricity were higher almost by 36%, coal by 82% and price of water increased more than by 16%, year-on-year,”* noted Vladimir Klimes, head of Industrial and International Trade Prices Statistics Unit of CZSO.

**Agricultural producer** prices were higher by 1.7% **m-o-m**. Increasing were prices of potatoes (+8.2%), eggs (+7.9%), fruit (+6.1%), vegetables (+4.3%), pigs for slaughter (+2.5%) and milk (+2.2%). Prices of oleaginous crops (-3.9%), poultry (-1.8%) and cereals (-2.1%) went down. **Y-o-y agricultural producer** prices went up by 25.5% (in December they rose by 27.9%). Prices in the crop production grew by 17.7%. On the increase were prices of potatoes (+43.1%), vegetables (+39.1%) and cereals (+27.5%). Prices of fruit (-7.4%) and oleaginous crops (-2.2%) went down. Prices in animal products soared by 37.8%, which is the highest y-o-y growth in history. On the increase were prices of eggs (+82.7%), pigs for slaughter (+51.0%), poultry (+29.1%), milk (+36.4%) and cattle for slaughter (+19.7%).

Prices of **industrial producers** increased by 5.8% **m-o-m.** Prices went up in ‘electricity, gas, steam and air conditioning’ (+17.3%), thereof ‘electricity, transmission and distribution services’ (+19.0%). Prices were higher in ‘coal and lignite’ (+65.5%), 'natural water; water treatment and supply services’ (+16.3%), ‘repair and installation services of machinery and equipment’ (+5.5%), ‘chemicals and chemical products’ (+5.4%), ‘other non-metallic mineral products’ (+4.6%) and ‘food products’ (+1.3%). Prices of **industrial producers** increased by 19.0% (in December they grew by 20.1%), **y-o-y**. Prices rose in ‘electricity, gas, steam and air conditioning’ (+35.7%), ‘coal and lignite’ (+82.0%), 'natural water; water treatment and supply services’ (+16.3%), ‘food products’ (+29.1%) and ‘motor vehicles, trailers and semi-trailers’ (+6.2%). Higher were also prices in ‘coke and refined petroleum products’. Among **the** **main industrial groupings**, higher were particularly prices of ‘energy’ (+34.2%) and ‘non-durable consumer goods’ (+22.7%), **y-o-y**.Prices of **industrial producers excluding energy** rose by 13.3% y-o-y (in December 2022 they soared by 13.5%).

According to an estimate, **construction work** prices rose by 0.6% and prices of construction material and products input went up by 1.8% **m-o-m**. According to an estimate, **y-o-y construction work** prices soared by 11.4% (in December after specification they increased by 12.9%) and prices for construction material and products input grew by 14.3% (in December they were higher by 15.8%).

**Service producer prices in the business sphere** fell by 0.3% **m-o-m** due to price decreases in ‘advertising and market research services’ (-22.7%) and ‘land transport services’ (-0.7%). Increasing were prices of ‘services to buildings and landscape’ (+9.8%), ‘information services’ (+8.3%), ‘warehousing and support services for transportation’ (+2.7%) and ‘computer programming, consultancy and related services’ (+2.2%). Service producer prices in the business sphere, excluding advertising services soared by 1.5%. **Service producer prices in the business sphere**went up by 6.3% **y-o-y** (in December they rose by 7.3%). Prices for ‘employment services’ (+27.6%), ‘computer programming, consultancy and related services’ (+9.1%), ‘warehousing and support services for transportation’ (+5.5%) and ‘advertising and market research services’ (+6.4%) grew. Service producer prices in the business sphere, excluding advertising services, were higher by 6.3% (in December they increased by 6.7%).

**Industrial producer prices in the EU – December 2022 (preliminary data)**

According to the Eurostat News Releases, industrial producer prices increased in December by 1.2% (in November they fell by 0.9%) in EU27, **m-o-m.** The highest monthly increase was observed in Ireland (+43.2%). Prices were higher in Poland (+1.2%) and Austria (+0.2%) and were lower in Germany (-0.4%), Czechia (-1.1%) and Slovakia (-2.5%). Prices decreased the most in Portugal (-3.2%) and Croatia (-2.6%). Industrial producer prices rose in December by 25.2% (in November they grew by 27.4%) in EU27, **y-o-y**. Prices increased in all Member States, but primarily in Hungary (+62.7%). Prices were higher in Slovakia (+34.1%), Poland (+27.9%), Germany (+22.4%), Czechia (+20.1%) and Austria (+19.6%).

**\* \* \***

**Information on the revision of the agricultural producer price index**

During year 2022, a standard comprehensive revision of the calculation of **agricultural producer price indices** is underway. From January 2023, the price indices of agricultural producers will be calculated on the new weighting schemes based on the structure of the average sales for the years 2019, 2020 and 2021. Indices are calculated for a new price and index base 2020 average = 100. The published aggregate base indices for the years 2020, 2021 and 2022 were revised. The time series with the index base 2015 average = 100 were ended.

**Information on the revision of the industrial producer price index**

A revision of the calculation of industrial producer price index was ended, in which there was a change from the original weighting structure for 2015 (domestic sales) on the new weighting structure of the year 2021 (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.

Basic time series of basic indices 2015 average = 100 continues. Price indices with the base December 2015 = 100 are replaced with new price base December 2021 = 100. Thus calculated indices are 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. This ensures the continuation of the existing time series. From the time series with the base 2015 average = 100 is calculated time series with the base 2021 average = 100. Calculation of time series with the index base 2005 average =100 and 2010 average = 100 was ended by December 2022.

These aggregations are excluded from the observation and publication:

CA12 - Tobacco products

CB151 - Tanned and dressed leather; luggage, handbags, saddlery and harness

CH253 - Steam generators, except central heating hot water boilers

All subsections from CA to CM are excluded, because they are not a part of classification already.

Notes:

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*Method of data acquisition: CZSO direct 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*

*Service producer prices in the business sphere: 20th calendar day of reference month / 9th calendar day of the following month*

*Except for the construction work price indices, the published figures are final data. Estimates of the construction work price indices are carried out on the 9th calendar day of the following month. Then, construction work price indices are made more precise using results of the finished quarterly survey and the finalised data are released on the 46th calendar day of the following quarter.*

*Related publications: 011041 – 23 Price Indices of Constructions Works, Price Indices of Constructions, and Indices of Construction Costs*

*011044 – 23 Industrial Producer Price Indices*

*011045 – 23 Agricultural Producer Price Indices*

*011046 – 23 Service Producer Prices in the Business Sphere*

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

*Next News Release will be published on: 15 March 2023*

Annexes:

Table 1 Producer Price Indices

Table 2 Industrial Producer Price Index by Main Industrial Grouping

Table 3 Industrial Producer Price Index (breakdown of month-on-month and year-on-year increments)

Graph 1 Industrial Producer Price Indices (year-on-year changes and changes to the base year 2015)

Graph 2 Construction Work Price Indices (year-on-year changes and changes to the base year 2015)

Graph 3 Service Producer Price Indices in the Business Sphere (year-on-year changes and changes to the base year 2015)

Graph 4 Agricultural Producer Price Indices (year-on-year changes and changes to the base year 2020)

Graph 5 Industrial Producer Price Indices, International Comparison (changes to the base year 2015)