December 16, 2014

****Price decrease of industrial producers due to the drop in oil prices****

Producer price indices – November 2014

In November 2014 compared with the previous month, agricultural producer prices increased by 0.5% and construction work prices went up by 0.1%. Prices of market services stayed unchanged. Industrial producer prices were lower by 0.6%. In comparison to November 2013, agricultural producer prices were lower by 6.1%. Industrial producer prices fell by 1.7%. Construction work prices and prices of market services were both higher by 0.8%.

# Month-on-month comparison:

**Agricultural producer** prices increased by 0.5%. Prices of eggs (+5.1%) and potatoes (+1.9%) went up. Prices of fresh vegetables (-17.8%), pigs for slaughter (-5.6%) and cereals
(-1.6%) went down.

Prices of **industrial producers** fell by 0.6%. Prices went down considerably in ‘coke, refined petroleum products’ (-6.6%). Also were lower in ‘chemicals and chemical products’ (-3.2%) and ‘food products, beverages, tobacco’ (-0.5%). From ‘food products, beverages, tobacco’, prices dropped in ‘preserved meat and meat products’ (-1.0%), ‘other food products’ (-1.6%) and ‘vegetable and animal oils and fats’ (-1.3%). Prices rose in ‘rubber and plastic products, other non-metallic mineral products’ (+0.5%), ‘basic metals, fabricated metal products’ (+0.4%) and ‘transport equipment’ (+0.2%).

According to an estimate, **construction work** prices went up by 0.1% and construction material input prices grew by 0.4%.

**Market services** prices **in the business sphere** stayed unchanged. On the increase were prices of ‘publishing services’ by 0.4%. Prices of ‘employment services’ were lower by 0.5%. Market services prices excluding advertising services grew by 0.1%.

# Year-on-year comparison:

**Agricultural producer** prices fell by 6.1% (-3.9% in October). Prices of crop products went down by 8.6%. Lower were prices of potatoes (-40.7%), fruit (-22.8%), fresh vegetables
(-18.6%), oil plants (-9.6%) and cereals (-7.4%). For the first time after eighteen months, prices of animal products went down by 2.8% due to decreasing prices of pigs for slaughter (-13.4%) and poultry (-3.5%). Prices of milk were higher by 0.4%. On the increase were also prices of cattle for slaughter (+1.6%) and eggs (+13.0%).

Pricesof **industrial producers** went downby 1.7% (-0.3% in October). The fall of prices in total was influenced primarily by the lower prices in ‘electricity, gas, steam and air conditioning’ (-8.9%) and ‘coke, refined petroleum products’ (-8.2%). Prices decreased in ‘mining and quarrying’ (-2.3%) and ‘food products, beverages, tobacco’ (-1.6%). From ‘food products, beverages, tobacco’, prices declined the most in ‘grain mill products, starches and starch products’ (-4.1%), ‘other food products’ (-3.8%), ‘dairy products’ (-3.3%) and ‘preserved meat and meat products’ (-1.9%). Prices increased in ‘basic metals, fabricated metal products’ (+2.5%), ‘wood, wood products, paper, printing’ (+2.9%) and ‘transport equipment’ (+1.4%).

Among the main industrial groupings, prices of ‘energy’ (-7.6%) decreased the most, y-o-y.

According to an estimate, **construction work** prices increased by 0.8% (like in October) and construction material input prices grew by 1.1% (+1.3% in October).

Prices of **market services** **in the business sphere** grew by 0.8% (like in October). Increasing were prices in ‘financial services, except insurance and pension funding’ (+7.3%), prices of ‘insurance services’ (+3.0%) and prices of ‘land transport services and transport services via pipelines’ (+1.2%). On the decrease were prices of ‘advertising and market research services’
(-3.7%). Market services prices excluding advertising services increased by 1.3% (+1.2% in October).

# Industrial producer prices in the EU – October 2014\*

According to the Eurostat News Releases, industrial producer prices decreased in October by 0.5% (+0.1% in September) in EU28, **month-on-month**. Among the Member States for which data are available, the largest decreases were observed in Denmark (-2.3%), Estonia, Greece and the United Kingdom (-1.4% all). Prices fell in Poland (-0.6%), the Czech Republic (-0.4%), Slovakia (-0.3%) and Germany and Austria (-0.2% both). The only increases were registered in Bulgaria (+1.3%), Belgium (+0.5%) and Sweden (+0.3%).

Industrial producer prices decreased in October by 1.5% (-1.6% in September) in EU28, **year-on-year**. The largest decreases were registered in Lithuania (-5.2%), Denmark (-4.5%) and Slovakia (-4.0%). Prices went down in Poland (-1.5%), Austria (-1.4%), Germany (-1.0%) and the Czech Republic (-0.3%). The only increases were recorded in Bulgaria (+0.8%), Romania (+0.5%) and Sweden (+0.1%).

*\* Preliminary data*

Notes:

*Responsible manager of the CZSO: Jiri Mrazek, Department Director, phone (+420) 274 052 533,* *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: 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: 011041-14**Price Indices of Constructions Works, Price Indices of Constructions and Indices of Construction Costs*

*011039-14 Producer Price Indices – Basic Information*

*011044-14 Industrial Producer Price Indices*

*011045-14 Agricultural Producer Price Indices*

*011046-14 Market Services Price Indices in the Business Sphere*

*Internet:* [*http://www.czso.cz/csu/produkty.nsf/engpodskupina?openform&:2014-011*](http://www.czso.cz/csu/produkty.nsf/engpodskupina?openform&:2014-011)

[*http://www.czso.cz/eng/edicniplan.nsf/aktual/ep-7?opendocument#70*](http://www.czso.cz/eng/edicniplan.nsf/aktual/ep-7?opendocument#70)

*Next News Release: 16 January 2015*

***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 2005)

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