February 24, 2014

****A significant decrease of industrial producer prices****

Producer price indices – January 2014

In January 2014 compared with the previous month, agricultural producer prices grew by 2.6%. Construction work prices were higher by 0.1%. Prices of industrial producer were lower by 1.3%. Prices of market services went down by 0.5%. In comparison to January 2013, prices of agricultural producer decreased by 4.0%. Prices of industrial producer and construction works prices were both lower by 0.7% and 0.5%, respectively. Prices of market services went down by 1.8%.

# Month-on-month comparison:

**Agricultural producer** prices went up by 2.6%. Prices of potatoes increased by 4.4%, as well as poultry (+4.2%), cereals (+2.6%), eggs (+2.6%) and milk (+2.2%). Prices of fruit (-5.7%) and fresh vegetables (-2.5%) decreased.

Prices of **industrial producers** fell by 1.3% m-o-m, the first January decline since the establishment of the Czech Republic especially caused by the lower prices in ‘electricity, gas, steam and air conditioning’ (-8.7%). Prices in ‘electricity’ went down by 11.3%. Prices decreased in ‘coke, refined petroleum products’ (-1.4%), ‘mining and quarrying’ (-0.9%) and ‘transport equipment’ (-0.4%). Prices rose in ‘water supply, sewerage, waste management’ (+3.4%), ‘chemicals and chemical products’ (+1.3%) and ‘food products, beverages, tobacco’ (+1.0%).

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** fell by 0.5%. Prices of ‘advertising and market research services’ went down by 8.1%. Decreasing were prices in ‘rental and leasing services’ (-1.6%). On the increase were prices of ‘insurance, reinsurance and pension funding services, except compulsory social security’ (+2.5%). Market services prices excluding advertising services went up by 0.4%.

# Year-on-year comparison:

**Agricultural producer** priceswent down by 4.0% (-4.3% in December). Prices of crop products fell by 13.8%, thereof cereals (-21.1%) and oil plants (-10.3%). Higher were prices of potatoes (+66.2%) and fruit (+4.2%). Prices of animal products went up by 8.1% due to increasing prices of milk (+21.1%) and pigs for slaughter (+2.9%). On the decrease were prices of cattle for slaughter (-4.8%) and eggs (-15.5%).

**Industrial producer** prices decreased by 0.7% (+1.7% in December). The total price level was the most significantly influenced by the lower prices in ‘electricity, gas, steam and air conditioning’ (-8.8%), thereof ‘electricity’ (-11.5%). Prices went down in ‘mining and quarrying’ (-3.0%), chemicals and chemical products’ (-0.8%) and ‘basic pharmaceutical products’ (-5.2%). Prices increased in ‘transport equipment’ (+3.9%), thereof ‘parts and accessories for motor vehicles’ by 5.4% (due to the weakening of the Czech crown against the euro by 7.0%), on the other hand, prices went down in ‘motor vehicles’ (-0.5%). Prices rose in ‘basic metals, fabricated metal products’ (+1.6%), ‘wood, wood products, paper, printing’ (+2.4%) and ‘water supply, sewerage, waste management’ (+3.4%). Prices were higher in ‘food products, beverages, tobacco’ (+0.3%), thereof ‘dairy products’ (+11.5%). Prices went down the most in ‘vegetable and animal oils and fats’ (-17.5%) and ‘prepared animal feeds’ (-10.6%).

Among the main industrial groupings prices of ‘energy’ (-5.3%) decreased the most, year-on-year.

According to an estimate, **construction work** prices went down by 0.5% (-0.7% in December after the specification) and construction material input prices grew by 0.9% (+1.0% in December).

**Market services** prices **in the business sphere** decreased by 1.8% (-1.4% in December). On the decrease were prices of ‘telecommunication services’ (-21.0%), ‘storage’ (-18.1%), ‘land transport services and transport services via pipelines’ (-1.6%) and ‘legal and accounting services’ (-1.4%). Increasing were prices in ‘postal and courier services’ (+8.3%), prices of ‘employment services’ (+5.0%) and prices of ‘advertising and market research services’ (+3.7%). Market services prices excluding advertising services decreased by 2.1% (-2.2% in December).

# Industrial producer prices in the EU – December 2013\*

According to the Eurostat News Releases, industrial producer prices increased by 0.2% in December (-0.1% in November) in EU28, **month-on-month**. Among the Member States for which data are available, the highest increases were registered in Spain (+1.1%), the Czech Republic and Sweden (+0.8% both). Prices increased in Germany (+0.1%) and remained stable in Poland. The largest decreases were recorded in Estonia (-1.7%), Latvia (-0.9%) and Lithuania (-0.6%). Prices decreased in Austria (-0.2%) and Slovakia (-0.1%).

Industrial producer prices decreased by 0.6% in December (-1.0% in November) in EU28, **year-on-year**. The largest decreases were observed in Cyprus (-5.2%), Belgium (-3.6%) and Bulgaria (-2.8%). Prices went down in Slovakia (-1.7%), Poland (-1.2%), Austria (-1.1%) and Germany (-0.4%). The highest increases were recorded in Estonia (+7.2%), the Czech Republic (+1.7%), Ireland (+1.4%) and Romania (+1.0%).

*\* 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: 011041-14**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: March 17, 2014*

***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)