16 January 2023

Industrial producer prices rose by 24.3% in 2022, y-o-y

Producer price indices – December 2022

Agricultural producer prices grew by 1.7% month-on-month (m-o-m) and rose by 27.3% year-on-year (y-o-y). Industrial producer prices fell m-o-m by 1.1% and went up y-o-y by 20.1%. Construction work prices were higher m-o-m (+0.6%) and y-o-y (+12.2%). Service producer prices in the business sphere increased m-o-m (+0.6%) and rose y-o-y (+7.3%).

In comparison with the year 2021, on average for the whole year 2022 prices of agricultural producers (+31.8%), industrial producers (+24.3%), construction work prices (+12.3%) and service producer prices in the business sphere (+5.8%) were all higher.

*“A year-on-year increase of prices of all producers continued in December. Prices of agriculture producers increased more than 27%, year-on-year, and prices of industrial producers, despite the second month-on-month decrease in a row, by 20.1%. Construction work prices, according to an estimate, grew by 12.2%, year-on-year, and service producer prices in the business sphere were higher more than by 7%,”* 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 eggs (+9.5%), potatoes (+9.4%), vegetables (+6.4%), poultry (+4.7%) and milk (+4.1%). Prices of oleaginous crops (-6.8%), fruit (-4.8%), cereals (-1.1%) and pigs for slaughter and cattle for slaughter (-0.4% both) decreased. **Y-o-y agricultural producer** prices went up by 27.3% (in November they rose by 29.9%). Prices in the crop production grew by 20.7%. On the increase were prices of potatoes (+48.5%), vegetables (+39.4%), cereals (+34.5%) and oleaginous crops (+6.7%). Prices of fruit went down by 17.7%. Prices in animal products soared by 37.7%. On the increase were prices of eggs (+73.2%), pigs for slaughter (+47.4%), poultry (+37.7%), milk (+36.5%) and cattle for slaughter (+19.7%).

In comparison to 2021, **agricultural producer** prices in 2022 rose by 31.8% on average
(in 2021 they were higher by 6.9%). Prices of crop products increased by 37.1% and prices of animal products increased by 24.4%. Prices of cereals (+48.9%), oleaginous crops (+40.2%), potatoes (+28.4%) and vegetables (+14.6%) went up. Prices of fruit were lower by 2.4%. Among animal products prices, increases were recorded in eggs (+28.2%), milk (+25.4%), pigs for slaughter (+24.6%), cattle for slaughter (+23.5%) and poultry (+19.5%).

Prices of **industrial producers** decreased by 1.1% **m-o-m.** Prices went down primarily in ‘coke, refined petroleum products’. Prices fell in ‘chemicals and chemical products’ (-5.8%) and ‘basic metals, fabricated metal products’ (-1.7%). Prices went up in ‘electricity, gas, steam and air conditioning’ (+1.9%), thereof ‘electricity, transmission and distribution services’ (+2.6%). Prices grew in ‘food products, beverages, tobacco’ (+0.4%). Prices of **industrial producers** increased by 20.1% (in November they grew by 21.3%), **y-o-y**. Prices rose in ‘electricity, gas, steam and air conditioning’ (+53.5%). Higher were prices in ‘food products, beverages, tobacco’ (+25.5%), thereof ‘grain mill products, starches and starch products’ (+48.2%). On the increase were prices in ‘rubber and plastic products, other non-metallic mineral products’ (+19.3%). Prices grew also in ‘coke, refined petroleum products’.

Among **the** **main industrial groupings**, higher were primarily prices of ‘energy’ (+40.4%) and ‘non-durable consumer goods’ (+23.0%), **y-o-y**.Prices of **industrial producers excluding energy** rose by 13.5% y-o-y (in November they soared by 14.6%).

Prices of **industrial producers** increased on average by 24.3% in **2022 y-o-y** (+7.1% in 2021). It was the highest y-o-y increase since the establishment of Czechia in 1993. Prices were higher particularly in ‘coke, refined petroleum products’. Prices grew in ‘electricity, gas, steam and air conditioning’ (+50.7%), ‘chemicals and chemical products’ (+35.2%), ‘mining and quarrying’ (+27.5%) and ‘wood, wood products, paper, printing’ (+24.8%). Prices went up in ‘food products, beverages, tobacco’ (+19.2%).

According to an estimate, **construction work** prices rose by 0.6% and prices of construction material and products input went down by 0.7% **m-o-m**. According to an estimate, **y-o-y construction work** prices soared by 12.2% (in November they increased by 11.9%) and prices for construction material and products input grew by 15.8% (in November they were higher by 16.9%).

According to an estimate, **construction work** prices went up by 12.3% y-o-y on average for the whole year 2022 (in 2021 they grew by 5.1% after specification). Construction material input prices rose by 20.7% in 2022 (in 2021 they went up by 10.9%).

**Service producer prices in the business sphere** rose by 0.6% **m-o-m** due to price increases in ‘employment services’ (+9.5%), ‘computer programming, consultancy and related services’ (+1.6%) and ‘land transport services’ (+0.5%). Prices of ‘advertising and market research services’ fell by 2.1%. Service producer prices in the business sphere, excluding advertising services soared by 0.7%. **Service producer prices in the business sphere**went up by 7.3% **y-o-y** (in November they rose by 6.5%). Prices for ‘employment services’ (+27.4%), ‘warehousing and support services for transportation’ (+15.4%) and ‘advertising and market research services’ (+15.0%) grew. Service producer prices in the business sphere, excluding advertising services, were higher by 6.7% (in November they increased by 6.0%).

In comparison to 2021, **service producer prices in the business sphere** in 2022increased by 5.8% (in 2021 they rose by 1.3%). Increasing were prices of ‘advertising and market research services’ (+17.4%), ‘rental and leasing services’ (+8.7%), ‘information services’ (+6.9%), ‘land transport services’ (+6.2%) and ‘legal and accounting services’ (+5.5%). On the increase were also prices of ‘employment services’ and ‘warehousing and support services for transportation’ (+15.1% both). Service producer prices in the business sphere, excluding advertising services, increased by 5.1% (in 2021 they increased by 1.3%).

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

According to the Eurostat News Releases, industrial producer prices decreased in November by 0.9% (in October they fell by 2.6%) in EU27, **m-o-m.** The largest monthly decreases were recorded in Bulgaria (-12.6%) and Slovakia (-11.6%). Prices were lower in Germany (-3.9%), Austria (-1.5%), Czechia (-1.0%) and Poland (-0.1%). The highest increases were observed in Italy (+3.3%), Sweden (+2.7%) and Ireland (+2.4%).

Industrial producer prices rose in November by 27.4% (in October they grew by 31.1%) in EU27, **y-o-y**. Prices rose primarily in Hungary (+63.5%) and Latvia (+51.2%). Prices were higher in Slovakia (+38.8%), Germany (+29.0%), Poland (+28.3%), Austria (+22.3%) and Czechia (+21.3%). The only decrease was observed in Ireland (-13.0%).

**\* \* \***

**Information on the revision of the agricultural producer price index 2020**

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 will be calculated for a new price and index base 2020 average = 100. The published aggregate base indices for the years 2020, 2021 and 2022 will be revised. Time series with the index base 2015 average = 100 will be ended.

**Information on the revision of the industrial producer price index 2021**

Currently we are finishing a revision of the calculation of industrial producer price index, which is 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 with the base 2015 average = 100 will be continued. Price indices with the base December 2015 = 100 will be replaced with new price base December 2021 = 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. This will ensure the continuation of the existing time series. From the time series with the base 2015 average = 100 will be calculated time series with the base 2021 average = 100. Calculation of the time series with the bases 2005 average =100 and 2010 average = 100 will be ended by December 2022.

These aggregations will be excluded from the observation and publication:

CA120 - 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 will be excluded, because they are not a part of classification already.

**Publication of price indices for January 2023 will be postponed in accordance with ‘Catalogue of Products’ to February 28, 2023.**

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 – 22 Price Indices of Constructions Works, Price Indices of Constructions, and Indices of Construction Costs*

 *011044 – 22 Industrial Producer Price Indices*

 *011045 – 22 Agricultural Producer Price Indices*

 *011046 – 22 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: 28 February 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 2015)

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