January 16, 2019

Industrial producer prices grew by 2.0% y-o-y in 2018

Producer price indices – December 2018

In December 2018 compared with the previous month, agricultural producer prices (+2.2%) and construction work prices (+0.2%) were both higher. Industrial producer prices (-1.1%) and prices of market services for businesses (-0.4%) were both lower. In comparison to December 2017, agricultural producer prices (+3.4%), industrial producer prices (+2.4%), construction work prices (+4.1%) and prices of market services for businesses (+2.2%) all went up.

**In comparison with the year 2017, on average for the whole year 2018 prices of agricultural producers (+0.1%), industrial producers (+2.0%), construction works (+3.2%) and market services for businesses (+1.8%) were all higher.**

# Month-on-month comparison:

**Agricultural producer** prices increased by 2.2%. Prices of milk (+2.9%), poultry (+2.6%), eggs (+2.4%) and cereals (+1.4%) grew. On the decrease were prices of pigs for slaughter (-1.1%) and cattle for slaughter (-1.0%).

Prices of **industrial producers** were lower by 1.1%. It was the largest decrease since January 2016. Prices fell primarily in ‘coke, refined petroleum products’. Lower were also prices in ‘chemicals and chemical products’ (-4.9%) and ‘mining and quarrying’ (-0.7%). Prices remained stable in ‘food products, beverages, tobacco’ in total, on the decrease were prices in ‘dairy products’ (-0.8%), on the other hand, prices rose in ‘grain mill products, starches and starch products’ (+0.8%). Prices rose slightly in ‘textiles, clothes, leather and leather products’ (+0.3%) and ‘furniture, other manufactured products’ (+0.1%).

According to an estimate, **construction work** prices rose by 0.2% and construction material input prices fell by 0.2%.

Pricesof **market services for businesses** dropped by 0.4%. On the decrease were prices of ‘advertising and market research services’ (-5.5%), ‘employment services’ (-3.3%), ‘architectural and engineering services’ (-0.5%), ‘warehousing and support services for transportation’ (-0.4%) and ‘land transport services’ (-0.2%). Increasing were prices of ‘insurance, reinsurance and pension funding services, except compulsory social security’ by 2.6%. Prices of market services for businesses excluding advertising services stayed unchanged.

# Year-on-year comparison:

**Agricultural producer** prices grew by 3.4% (+0.7% in November). Prices of crop products grew by 11.8% due to increasing prices of fresh vegetables (+77.6%), potatoes (+51.9%), cereals (+16.4%) and oil plants (+4.9%). Lower were prices of fruit by 50.0%. Prices of animal products went down by 6.7%. Lower were prices of eggs (-39.9%), pigs for slaughter (-10.5%), cattle for slaughter (-4.7%) and milk (-3.0%). Higher were only prices of poultry by 1.6%.

Prices of **industrial producers** rose by 2.4% (+3.9% in November). Prices increased in ‘basic metals, fabricated metal products’ (+3.8%), ‘electricity, gas, steam and air conditioning’ (+2.8%) and ‘mining and quarrying’ (+8.3%). Prices were higher also in ‘coke, refined petroleum products’. Prices went up in ‘food products, beverages, tobacco’ (+1.0%), thereof ‘grain mill products, starches and starch products’ (+8.6%), ‘prepared animal feeds’ (+4.6%) and ‘beverages’ (+3.2%). Prices were higher in all industrial branches.

Among the main industrial groupings, prices of ‘energy’ (+4.2%) increased the most.

According to an estimate, **construction work** prices rose by 4.1% (like in November) and construction material input prices grew by 4.9% (+5.1% in November).

Pricesof **market services for businesses** were higher by 2.2% (+2.0% in November). Increasing were prices in ‘insurance, reinsurance and pension funding services, except compulsory social security’ (+8.2%), ‘employment services’ (+7.3%), ‘postal and courier services’ (+6.5%) and ‘advertising and market research services’ (+5.0%). On the increase were also prices of ‘real estate services’ (+3.0%) and ‘architectural and engineering services’ (+2.4%). Lower were prices of ‘warehousing and support services for transportation’ by 3.0%. Prices of market services for businesses excluding advertising services increased by 2.1% (+2.0% in November).

**Producer prices in 2018**

In comparison to 2017, **agricultural producer** prices in 2018 were higher by 0.1% on average
(+7.3% in 2017). Prices of crop products grew by 2.5% and prices of animal products fell by 2.8%. Prices of potatoes (+3.2%), cereals (+7.4%) and fresh vegetables (+31.4%) were higher. Lower were prices of fruit (-26.3%) and oil plants (-5.5%). Among animal products prices decreases were recorded in poultry (-1.3%), eggs (-9.6%) and pigs for slaughter (-16.1%).
On the increase were prices of milk (+2.1%) and cattle for slaughter (+0.2%).

Prices of **industrial producers** increased on average by 2.0% in 2018 y-o-y (+1.8% in 2017). Prices went up particularly in ‘coke, refined petroleum products’. Prices were higher in ‘mining and quarrying’ (+7.6%), ‘basic metals, fabricated metal products’ (+3.4%) and ‘electricity, gas, steam and air conditioning’ (+2.2%). Prices fell in ‘transport equipment’ (-1.7%). Prices went down in ‘food products, beverages, tobacco’ (-0.1%), thereof ‘other food products’ (-4.4%) and ‘preserved meat and meat products’ (-2.8%), on the other hand, prices rose in ‘grain mill products, starches and starch products’ (+3.5%), ‘prepared animal feeds’ (+2.1%) and ‘beverages’ (+2.2%).

According to an estimate, **construction work** prices went up by 3.2% y-o-y (+1.7% in 2017 after the specification). Construction material input prices rose by 3.5% on average for the whole year 2018 (+2.0% in 2017).

Prices of **market services for businesses** went up by 1.8% (+1.3% in 2017). Increasing were prices of ‘employment services’ (+10.5%), ‘postal and courier services’ (+5.1%), ‘insurance, reinsurance and pension funding services, except compulsory social security’ (+4.6%), ‘architectural and engineering services’ (+2.7%), ‘advertising and market research services’ (+2.4%) and ‘land transport services’ (+1.2%). On the decrease were prices in ‘telecommunications services’ (-0.4%) and ‘warehousing and support services for transportation’ (-2.3%). Market services prices for businesses excluding advertising services increased by 1.8% (+1.1% in 2017).

**Industrial producer prices in the EU – November 2018 (preliminary data)**

According to the Eurostat News Releases, industrial producer prices decreased in November by 0.4% (+0.8% in October) in EU28, **month-on-month.** The largest decrease in prices was recorded in Greece (-2.7%). Prices fell in Slovakia (-1.0%), Poland (-0.4%), Austria (-0.3%) and the Czech Republic (-0.1%) and rose in Germany (+0.1%). The highest increase was observed in Estonia (+1.7%).

Industrial producer prices were higher in November by 4.3% (+5.5% in October) in EU28, **year-on-year**. The highest increase in prices was recorded in Belgium (+9.3%). Prices went up in Slovakia (+5.9%), the Czech Republic (+3.9%), Germany (+3.5%), Austria (+3.3%) and Poland (+3.0%). The only decrease was observed in Ireland (-0.6%).

*Notes:*

*Responsible manager of the CZSO: Jiri Mrazek, Department Director, phone (+420) 274 052 533,*

*e-mail:* *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: 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*

*Market services price indices (business to business): 20th calendar day of reference month / 9th 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 46th calendar day of the following quarter.*

*Related publications: 011041 - 18**Price Indices of Constructions Works, Price Indices of Constructions and Indices of Construction Costs*

*011044 - 18 Industrial Producer Price Indices*

*011045 - 18 Agricultural Producer Price Indices*

*011046 - 18 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)

*Next News Release: 25 February 2019*

***Text not edited for language.***

Annexes:

Table 1: Producer Price Indices

Table 2: Industrial Producer Price Index by Main Industrial Groupings

Table 3: Industrial Producer Price Index (breakdown of the growth - month-on-month, year-on-year)

Chart: Industrial Producer Price Indices (year-on-year changes, changes on base year 2015)

Chart: Construction Output Price Indices (year-on-year changes, changes on base year 2015)

Chart: Price Indices of Market Services for Businesses (year-on-year changes, changes on base year 2015)

Chart: Agricultural Producer Price Indices (year-on-year changes, changes on base year 2015)

Chart: Industrial Producer Price Indices – international comparison (changes on base year 2015)