16 December 2022

Y-o-y growth of industrial producer prices slowed down

Producer price indices – November 2022

Agricultural producer prices grew by 2.8% month-on-month (m-o-m) and rose by 29.9% year-on-year (y-o-y). Industrial producer prices fell m-o-m by 1.0% and went up y-o-y by 21.3%. Construction work prices were higher m-o-m (+0.3%) and y-o-y (+11.9%). Service producer prices in the business sphere increased m-o-m (+0.2%) and rose y-o-y (+6.5%).

*“A year-on-year increase of prices of all producers continued in November. Prices of agriculture producers increased almost by 30%, year-on-year, and prices of industrial producers, despite the month-on-month decrease, more than by 21 %. Construction work prices, according to an estimate, grew nearly by 12%, year-on-year, and service producer prices in the business sphere were higher by 6.5%,”* noted Vladimir Klimes, head of Industrial and International Trade Prices Statistics Unit of CZSO.

**Agricultural producer** prices were higher by 2.8% **m-o-m**. Increasing were prices of eggs (+15.2%), potatoes (+4.8%), milk (+3.6%), oleaginous crops (+2.5%) and cereals (+1.3%). Prices of fresh vegetables (-12.4%), pigs for slaughter (-2.9%), fruit (-0.9%) and cattle for slaughter
(-0.4%) decreased. **Y-o-y agricultural producer** prices went up by 29.9% (in October they rose by 27.1%). Prices in the crop production grew by 26.0%. On the increase were prices of cereals (+42.4%), fresh vegetables (+33.5%), potatoes (+25.4%) and oleaginous crops (+21.8%). Prices of fruit went down by 13.5%. Prices in animal products soared by 36.7%. On the increase were prices of eggs (+58.4%), pigs for slaughter (+49.7%), milk (+35.4%), poultry (+34.9%) and cattle for slaughter (+21.3%).

Prices of **industrial producers** decreased by 1.0% **m-o-m.** Prices went down particularly in ‘coke, refined petroleum products’. Prices fell in ‘chemicals and chemical products’ (-2.7%) and ‘basic metals, fabricated metal products’ (-1.8%). Prices went up in ‘food products, beverages, tobacco’ (+1.1%), thereof ‘other food products’ (+3.5%). On the increase were also prices in ‘transport equipment’ (+0.8%). Prices of **industrial producers** increased by 21.3% (in October they grew by 24.1%), **y-o-y**. Prices rose in ‘electricity, gas, steam and air conditioning’ (+52.6%) and in ‘coke, refined, petroleum products’, too. Higher were prices in ‘rubber and plastic products, other non-metallic mineral products’ (+19.9%). Prices grew in ‘food products, beverages, tobacco’ (+25.8%), thereof ‘grain mill products, starches and starch products’ (+52.8%).

Among **the** **main industrial groupings**, higher were primarily prices of ‘energy’ (+41.5%) and ‘non-durable consumer goods’ (+23.1%), **y-o-y**.Prices of **industrial producers excluding energy** rose by 14.6% (in October they soared by 15.7%).

According to an estimate, **construction work** prices rose by 0.3% and prices of construction material and products input went down by 0.3% **m-o-m**. According to an estimate, **y-o-y construction work** prices soared by 11.9% (in October they increased by 12.0%) and prices for construction material and products input grew by 16.9% (in October they were higher by 17.6%).

**Service producer prices in the business sphere** rose by 0.2% **m-o-m** due to price increases in ‘postal and courier services’ (+2.0%), ‘advertising and market research services’ (+0.8%), ‘architectural and engineering services’ (+0.6%) and ‘land transport services’ and ‘computer programming, consultancy and related services’ (+0.3% both). Decreasing were prices in ‘employment services’ (-1.5%) and ‘warehousing and support services for transportation’ (-0.3%).

Service producer prices in the business sphere, excluding advertising services soared by 0.2%. **Service producer prices in the business sphere**went up by 6.5% **y-o-y** (in October they rose by 6.3%). Prices for ‘warehousing and support services for transportation’ (+15.2%), ‘advertising and market research services’ (+15.0%) and ‘employment services’ (+13.8%) grew. Service producer prices in the business sphere, excluding advertising services, were higher by 6.0% (in October they increased by 5.8%).

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

According to the Eurostat News Releases, industrial producer prices decreased in October by 2.5% (in September they rose by 1.4%) in EU27, **m-o-m.** The largest monthly decreases were recorded in Ireland (-32.5%) and Bulgaria (-8.8%). Prices were lower in Germany (-4.2%) and higher in Poland (+0.9%), Slovakia (+0.7%), Czechia (+0.6%) and Austria (+0.3%). Prices increased particularly in Greece (+9.6%).

Industrial producer prices rose in October by 31.2% (in September they grew by 41.4%) in EU27, **y-o-y**. The highest increases were recorded in Hungary (+68.0%), Slovakia (+59.3%) and Latvia (+57.9%). Prices were higher in Germany (+35.5%), Poland (+30.5%), Austria (+26.4%) and Czechia (+24.1%). The only decrease was observed in Ireland (-17.2%).

**\* \* \***

**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 preparing 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 2023’ 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: 16 January 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)