January 16, 2015

****Industrial producer prices fell in the year 2014****

Producer price indices – December 2014

In December 2014 compared with the previous month, agricultural producer prices increased by 0.8% and construction work prices stayed unchanged. Industrial producer prices were lower by 1.3% and prices of market services went down by 0.6%.
In comparison to December 2013, agricultural producer prices were lower by 7.7%. Industrial producer prices fell by 3.7%. Construction work prices and prices of market services were both higher by 0.8%.

**In comparison with the year 2013, on average for the whole year 2014 prices of agricultural producers and industrial producers were both lower by 3.7% and 0.8%, respectively. Prices of construction works and market services were both higher by 0.4% and 0.3%, respectively.**

# Month-on-month comparison:

**Agricultural producer** prices increased by 0.8%. Prices of eggs went up by 4.3%. Prices of fruit and poultry were both higher by 1.9%. Prices of potatoes (-12.7%), pigs for slaughter
(-3.5%) and milk (-0.8%) went down.

Prices of **industrial producers** fell by 1.3%. The fall was influenced primarily by the price decreasing in ‘coke, refined petroleum products’ (-14.0%), this is the most considerable fall of prices since December 2008. Also prices were lower in ‘chemicals and chemical products’ (-4.5%) and ‘food products, beverages, tobacco’ (-0.4%). From ‘food products, beverages, tobacco’, prices dropped particularly in ‘dairy products’ (-1.4%), ‘preserved meat and meat products’ (-1.1%) and ‘bakery and farinaceous products’ (-0.5%). Prices rose in ‘basic pharmaceutical products’ (+0.2%) and ‘wood, wood products, paper, printing’ (+0.1%).

According to an estimate, **construction work** prices stayed unchanged and construction material input prices fell by 0.1%.

**Market services** prices **in the business sphere** were lower by 0.6% due to the price decreasing of ‘advertising and market research services’ (-6.5%). Market services prices excluding advertising services stayed unchanged.

# Year-on-year comparison:

**Agricultural producer** prices fell by 7.7% (-6.1% in November). Prices of crop products went down by 10.6%. Lower were prices of potatoes (-46.1%), fruit (-29.1%), fresh vegetables
(-20.3%), oil plants (-12.7%) and cereals (-9.1%). Prices of animal products went down by 4.2% due to decreasing prices of pigs for slaughter (-14.3%) and milk (-3.8%). Prices of cattle for slaughter were higher by 0.9%. On the increase were also prices of poultry (+1.5%) and eggs (+14.4%).

Pricesof **industrial producers** went downby 3.7% (-1.7% in November). This fall of prices, which is the highest since October 2009, was significantly affected by the lower prices in ‘coke, refined petroleum products’ (-24.6%) and ‘electricity, gas, steam and air conditioning’ (-8.6%). Prices decreased in ‘chemicals and chemical products’ (-7.4%) and ‘food products, beverages, tobacco’ (-2.1%). From ‘food products, beverages, tobacco’, prices declined the most in ‘dairy products’ (-5.2%), ‘grain mill products, starches and starch products’ (-4.5%), ‘other food products’ (-4.1%) and ‘preserved meat and meat products’ (-3.0%). Prices increased in ‘basic metals, fabricated metal products’ (+1.3%), ‘wood, wood products, paper, printing’ (+2.1%) and ‘textiles, clothes, leather and leather products’ (+2.8%).

Among the main industrial groupings, prices of ‘energy’ (-11.7%) decreased the most, y-o-y.

According to an estimate, **construction work** prices increased by 0.8% (like in November) and construction material input prices grew by 0.5% (+1.1% in November).

Prices of **market services** **in the business sphere** grew by 0.8% (like in November). Increasing were prices in ‘financial services, except insurance and pension funding’ (+7.2%), prices of ‘insurance services’ (+3.0%) and prices of ‘land transport services and transport services via pipelines’ (+1.4%). On the decrease were prices of ‘advertising and market research services’ (-2.3%). Market services prices excluding advertising services increased by 1.2% (+1.3% in November).

**Producer prices in 2014**

In comparison to 2013, **agricultural producer** prices in 2014 were lower by 3.7% (+4.5% in 2013) on average. Prices of crop products fell by 10.3% and prices of animal products grew by 4.9%. Prices of cereals (-14.0%), fruit (-12.8%), fresh vegetables (-10.8%), potatoes (-10.4%) and oil plants (-8.3%) were lower. Among animal products prices increases were recorded in milk (+13.1%) and eggs (+1.0%). Decreasing were prices of poultry (-2.3%). Prices of pigs for slaughter and cattle for slaughter were both lower by 1.3%.

After four years of the growth prices of **industrial producers** went down in the year 2014 by 0.8% (+0.8% in 2013). Prices declined in ‘electricity, gas, steam and air conditioning’ (-8.7%), ‘mining and quarrying’ (-3.3%) and ‘coke, refined petroleum products’ (-1.9%). Prices in ‘food products, beverages, tobacco’ were lower in the year 2004 on average by 0.3%. Prices rose in ‘wood, wood products, paper, printing’ (+3.6%), ‘transport equipment’ (+3.5%) and ‘water supply, sewerage, waste management and remediation services’ (+3.4%).

According to monthly estimates, **construction work** prices went up by 0.4% y-o-y (-1.1% in 2013 after the specification). Construction material input prices grew by 1.1% on average for the whole year 2014 (in 2013 stayed unchanged).

**Market services** prices in the business sphere were higher by 0.3% (-1.5% in 2013). Increasing were prices of ‘postal and courier services’ (+4.9%), ‘financial services, except insurance and pension funding’ (+4.6%), ‘insurance services’ (+3.0%) and ‘land transport services and transport services via pipelines’ (+1.5%). On the decrease were prices in ‘telecommunication services’ (-8.0%) and ‘advertising and market research services’ (-1.4%). Market services prices excluding advertising services were higher by 0.5% (-1.9% in 2013).

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

According to the Eurostat News Releases, industrial producer prices decreased in November by 0.4% (-0.5% in October) in EU28, **month-on-month**. Among the Member States for which data are available, the largest decreases were observed in Greece and Cyprus (-1.4% both), Ireland (-1.3%) and Estonia (-1.2%). Prices decreased in Poland and the Czech Republic (-0.6% both) and Austria (-0.2%) and remained stable in Germany. Prices increased only in Slovakia (+0.3%).

Industrial producer prices fell in November by 1.8% (-1.6% in October) in EU28, **year-on-year,** with the largest decreases observed in Lithuania (-6.6%), the Netherlands (-4.5%) and Denmark (-4.2%). Prices went down in Slovakia (-3.0%), Poland (-1.9%), the Czech Republic (-1.7%), Austria (-1.6%) and Germany (-0.9%). The only increases were recorded in Romania (+0.5%) and Bulgaria (+0.3%).

*\* 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: 23 February 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)