28 February 2024

Industrial producer prices fell y-o-y for the first time since November 2020

Producer price indices – January 2024

Agricultural producer prices rose by 0.7% month-on-month (m-o-m) and went down by 19.8% year-on-year (y-o-y). Industrial producer prices increased by 2.5% m-o-m and were lower by 1.8% y‑o‑y. Construction work prices remained unchanged m-o-m and grew by 2.0% y-o-y. Service producer prices in the business sphere fell by 0.1% m-o-m and rose by 4.6% y-o-y.

*“In a year-on-year comparison, prices in industry decreased almost by 2%, it was the first decrease since November 2020. Prices in agriculture went down already for the ninth month in a row year-on-year, this time nearly by 20 %. Construction work prices, according to an estimate, increased by 2.0% year-on-year and service producer prices in the business sphere by 4.6%,”* noted Vladimir Klimes, head of Industrial and International Trade Prices Statistics Unit of CZSO.

**Agricultural producer prices** increased by 0.7% **m-o-m**. Rising were prices of vegetables (+5.3%), potatoes (+11.0%), milk (+2.8%), eggs (+2.4%), poultry (+2.1%) and cattle for slaughter (+1.2%). Falling prices were recorded for fruit (-0.3%), pigs for slaughter (-0.9%) and cereals (‑1.1%). **Y-o-y**, **agricultural producer prices** were lower by 19.8% (-19.0% in December). In crop production, prices fell by 25.3%. Prices for oilseeds (-27.7%) and cereals (-36.5%) were lower. Prices of fruit (+34.7%), potatoes (+29.1%) and vegetables (+5.6%) increased. In animal production, prices were lower by 12.9%. Decrease occurred in prices of eggs (‑22.2%), milk (‑19.1%), poultry (-7.6%) and cattle for slaughter (-2.6%). Prices of pigs for slaughter were higher (+4.2%).

Prices of **industrial producers** went up by 2.5% **m-o-m** after three months of decreases. Prices increased primarily in ‘electricity, gas, steam and air conditioning’ (+9.6%), thereof ‘manufactured gas; distribution services of gaseous fuels through mains’ by 38.0% (particularly due to the higher prices in ‘distribution services of gaseous fuels through mains’), higher were prices in ‘electricity, transmission and distribution services’ (+7.5%) and 'steam and air conditioning supply services’ (+9.6%). Prices rose in ‘natural water; water treatment and supply services’ (+9.2%). On the decrease were prices in ‘coal and lignite’ (-6.3%), ‘printing and recording services’ (-2.2%), ‘chemicals and chemical products’ (-0.5%) and ‘crude petroleum and natural gas’ (-9.9%). Prices of **industrial producers** fell by 1.8% **y-o-y** (in December 2023 they grew by 1.4%). The last time prices went down in November 2020 y-o-y. Prices went down in ‘basic metals’ (-12.3%), ‘food products’ (-5.3%), ‘chemicals and chemical products’ (-12.4%), ‘wood and products of wood and cork’ (-20.1%), ‘paper and paper products’ (-13.9%). Prices were lower in ‘electricity, gas, steam and air conditioning’ (-0.7%) and ‘crude petroleum and natural gas’ (-19.5%). On the decrease were also prices in ‘coke, reined petroleum products’. Increasing were prices in ‘motor vehicles, trailers and semi trailers’ (+2.6%), ‘repair and installation services of machinery and equipment’ (+6.0%), ‘beverages’ (+9.0%) and ‘natural water; water treatment and supply services’ (+9.2%). Among **the** **main industrial groupings**, prices of ‘intermediate goods’ (-5.7%) and ‘energy’
 (-2.1%) fell primarily, y-o-y. Prices of **industrial producers excluding energy** dropped by 1.7% **y-o-y** (in December they went down by 0.6%).

According to the estimate, **construction work prices** were unchanged and prices of construction material and products input went up by 0.6% **m-o-m**. According to the estimate, **y-o-y construction work prices** rose by 2.0% (+2.4% in December after updating) and prices for construction material and products input fell by 1.1% (+0.1% in December).

**Service producer prices in the business sphere** decreased by 0.1% **m-o-m** due to fall in prices for ‘advertising and market research services’ (-16.7%) and ‘warehousing and support services for transportation’ (-0.7%). Prices of ‘employment services‘ (+3.5%), ‘information services‘ (+2.5%), ‘management consulting services‘ (+1.8%), ‘real estate services‘ (+2.7%) and ‘publishing services‘ (+2.7%) rose. Service producer prices in the business sphere, excluding advertising services rose by 1.2%. **Service producer prices in the business sphere**went up by 4.6% **y-o‑y** (+4.4% in December). Prices for ‘advertising and market research services’ (+13.1%), ‘employment services‘ (+11.8%), ‘postal and courier services’ (+10.9%), ‘real estate services‘ (+7.3%), ‘legal and accounting services‘ (+5.9%) and ‘publishing services‘ (+5.2%) were higher. Service producer prices in the business sphere, excluding advertising services, increased by 4.0% (+4.4% in December).

**Industrial producer prices in the EU – December 2023 (preliminary data)**

According to the Eurostat News Releases, industrial producer prices decreased in December by 0.9% (in November they fell by 0.3%) in EU27, **m-o-m.** The largest monthly decreases were recorded in Ireland (-12.0%), the Netherlands (-1.8%) and Estonia (-1.4%). Prices were lower in Poland (-1.3%), Germany (-1.2%), Austria (-0.9%), Czechia (-0.5%) and Slovakia (-0.3%). Increases were observed in Greece (+1.0%), Belgium (+0.5%), Cyprus and Luxembourg (+0.3% both) and France (+0.1%). Industrial producer prices fell in December by 10.0% (in November they went down by 8.1%) in EU27, **y-o-y**. The highest decreases were recorded in Ireland
 (-43.5%), Italy (-20.5%) and Bulgaria (-19.8%). Prices were lower in Germany (-8.7%), Poland
 (-6.3%) and Austria (-5.1%). The highest increases were observed in Luxembourg (+20.2%) and Slovakia (+13.3%). Prices rose also in Czechia (+1.4%).

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# Information on the revision of the market services price index 2021

During 2023, a standard comprehensive **revision of the calculation of the market services price index** was undertaken, which involved a change from the previous weighting structure derived from 2015 domestic sales to a new weighting structure corresponding to 2021 domestic sales and a number of changes in the selection of respondents and representatives.

The **price indices for market services** are calculated to the new price base average of 2021 = 100 on new weights based on the 2021 sales structure. The indices calculated in this way are chained to the indices on the base of 2015 average = 100, thus ensuring the continuity of the existing time series.

The following aggregations were from the monitoring and publishing

excluded

K641 Monetary intermediation

K649 Other financial services, except insurance and pension funding

included

J59 Motion picture, video and television programme production, sound recording and music publishing activities

J60 Programming and broadcasting activities

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

 *011044 – 24 Industrial Producer Price Indices*

 *011045 – 24 Agricultural Producer Price Indices*

 *011046 – 24 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: 18 March 2024*

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 2020)

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