October 16, 2017

Moderate growth of producer prices continued

Producer price indices – September 2017

In September 2017 compared with the previous month, agricultural producer prices and industrial producer prices both went up by 2.6% and 0.4%, respectively. Construction work prices were higher by 0.2%. Prices of market services also rose by 1.1%. In comparison to September 2016, agricultural producer prices grew by 10.8%. Industrial producer prices, construction work prices and prices of market services were all higher by 1.7%.

# Month-on-month comparison:

**Agricultural producer** prices grew by 2.6%. Prices of fresh fruit (+7.0%), poultry (+5.0%), eggs (+4.8%), milk (+1.8%), cereals (+1.3%) and cattle for slaughter (+0.8%) went up. On the decrease were prices of pigs for slaughter (-1.4%), fresh vegetables (-1.3%) and oil plants
(-0.5%).

Prices of **industrial producers** went up by 0.4%. Prices increased particularly in ‘coke, refined petroleum products’. Higher were prices in ‘chemicals and chemical products’ (+0.6%), ‘wood, wood products, paper, printing’ (+0.4%) and ‘basic metals, fabricated metal products’ (+0.3%). Prices increased in ‘food products, beverages, tobacco’ (+0.2%), thereof ‘dairy products’ (+2.4%). Lower were prices in ‘computer, electronic and optical products’ (-0.3%).

According to an estimate, **construction work** prices increased by 0.2% and construction material input prices went up by 0.4%.

**Market services** prices **in the business sphere** rose by 1.1% due to the price increasing of ‘advertising and market research services’ (+13.6%), ‘employment services’ (+2.2%) and ‘land transport services and transport services via pipelines’ (+0.5%). Lower were prices of ‘publishing services’ (-0.8%) and ‘real estate services’ (-0.4%). Market services prices excluding advertising services stayed unchanged.

# Year-on-year comparison:

**Agricultural producer** prices were higher by 10.8% (+12.5% in August). Prices of crop products grew by 7.2% due to increasing prices of fresh fruit (+37.9%), potatoes (+10.4%), cereals (+6.7%), oil plants (+3.9%) and fresh vegetables (+1.7%). Prices of animal products went up by 16.5%. Higher were prices of milk (+39.2%), eggs (+10.0%) and pigs for slaughter (+3.4%). Prices of poultry dropped by 1.0%.

Pricesof **industrial producers** were higher by 1.7% (+1.4% in August). Prices rose the most significantly in ‘food products, beverages, tobacco’ (+4.1%), thereof ‘dairy products’ (+17.3%), ‘bakery and farinaceous products’ (+3.9%) and ‘preserved meat and meat products’ (+2.9%). Higher were prices in ‘basic metals, fabricated metal products’ (+5.1%). On the increase were also prices in ‘coke, refined petroleum products’. Prices fell in ‘transport equipment’ (-2.6%), ‘computer, electronic and optical products’ (-1.8%) and ‘electricity, gas, steam and air conditioning’ (-1.1%).

Among the main industrial groupings, prices of ‘non-durable consumer goods’ (+3.6%) increased the most.

According to an estimate, **construction work** prices rose by 1.7% (+1.6% in August) and construction material input prices grew by 2.3% (+1.8% in August).

Prices of **market services** **in the business sphere** were higher by 1.7% (+1.8% in August). Increasing were prices in ‘insurance, reinsurance and pension funding services, except compulsory social security’ (+5.3%), ‘advertising and market research services’ (+2.8%), ‘publishing services’ (+3.1%) and ‘land transport services and transport services via pipelines’ (+1.0%). Market services prices excluding advertising services increased by 1.5% (like in August).

**Industrial producer prices in the EU – August 2017 (preliminary data)**

According to the Eurostat News Releases, industrial producer prices increased in August by 0.4% (+0.1% in July) in EU28, **month-on-month.** The highest increases in prices were observed in Hungary, Slovakia and the United Kingdom (+0.9% all). Prices increased in Poland (+0.4%), the Czech Republic, Germany and Austria (+0.2% all). A price decrease was observed only in Sweden (-0.2%).

Industrial producer prices were higher in August by 2.9% (+2.3% in July) in EU28, **year-on-year**. Prices rose in all Member States, the most in Belgium (+7.2%). Prices increased in Poland (+4.5%), Slovakia (+2.8%), Germany (+2.4%), the Czech Republic (+1.4%) and Austria (+1.2%).

\* \* \*

**Information on revisions of agricultural producer price indices and price indices of market services**

The Czech Statistical Office is finishing a **revision of the calculation of agricultural producer price indices and price indices of market services**, which is a change of the weighting scheme and change of the index base since January 2018. However, there is no major change in the index calculation methodology.

Price **indices of** **agricultural producers** will be calculated for a new index base 2015 average = 100 on new weight schemes, based on the structure of the average sales for the years 2014, 2015 and 2016. Due to update the weights, the published aggregate base indices for the years 2015, 2016 and 2017 will be revised. Time series with the index base 2010 average = 100 will be ended by December 2017.

Price **indices of market services** will be calculated for a new index base 2015 average = 100 on new weight schemes, based on the structure of the sales for the year 2015. Time series with the index base 2005 average = 100 will be ended by December 2017 and replaced with new time series with the index base 2015 average = 100. The existing published indices will not be revised.

The publication of price indices for January 2018 will be shifted in line with the Catalogue of Products 2018 by one week on 28 February 2018.

*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 - 17**Price Indices of Constructions Works, Price Indices of Constructions and Indices of Construction Costs*

*011044 - 17 Industrial Producer Price Indices*

*011045 - 17 Agricultural Producer Price Indices*

*011046 - 17 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: 16 November 2017*

***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 2005)

Chart: Price Indices of Market Services for the Business Sphere (year-on-year changes, changes on base year 2005)

Chart: Agricultural Producer Price Indices (year-on-year changes, changes on base year 2010)

Chart: Industrial Producer Price Indices – international comparison (changes on base year 2010)