August 16, 2018

Y-o-y growth of prices in construction accelerated

Producer price indices – July 2018

In July 2018 compared with the previous month, agricultural producer prices fell by 0.8% and prices of market services for businesses went down by 1.0%. Industrial producer prices (+0.3%) and construction work prices (+0.4%) both went up. In comparison to July 2017, agricultural producer prices went down by 4.4%. Industrial producer prices and construction work prices were both higher by 3.4%. Prices of market services for businesses grew by 1.7%.

# Month-on-month comparison:

**Agricultural producer** prices decreased by 0.8%. Prices of milk (-0.4%), cereals (-0.7%), poultry (-1.3%), fresh vegetables (-14.1%) and fruit (-38.2%) went down. On the increase were prices of potatoes (+3.4%), pigs for slaughter (+2.2%), oil plants (+1.7%) and eggs (+0.8%).

Prices of **industrial producers** went up by 0.3%. Prices increased primarily in ‘chemicals and chemical products’ (+1.8%), ‘rubber and plastic products, other non-metallic mineral products’ (+0.5%) and ‘wood, wood products, paper, printing’ (+0.6%). Prices rose in ‘food products, beverages, tobacco’ (+0.2%), thereof ‘beverages’ and ‘dairy products’ (+0.8% both). Prices fell only in ‘mining and quarrying’ (-0.2%) and ‘electrical equipment’ (-0.1%).

According to an estimate, **construction work** prices increased by 0.4% and construction material input prices grew by 0.9%.

Pricesof **market services for businesses** fell by 1.0%. On the decrease were prices of ‘advertising and market research services’ (-16.2%), ‘management consulting services’
(-1.6%) and ‘employment services’ (-1.3%). On the increase were prices of ‘architectural and engineering services’ (+0.7%) and ‘land transport services and transport services via pipelines’ (+0.6%). Prices of market services for businesses excluding advertising rose by 0.1%.

# Year-on-year comparison:

**Agricultural producer** prices were lower by 4.4% (-4.2% in June). Prices of crop products dropped by 2.6% due to decreasing prices of potatoes (-1.3%), oil plants (-7.8%) and fruit
(-34.4%). Higher were prices of fresh vegetables (+25.3%) and cereals (+1.9%). Prices of animal products went down by 6.6%. Lower were prices of pigs for slaughter (-22.2%), poultry
(-5.9%) and milk (-2.6%). Prices of cattle for slaughter went up by 1.3%.

Prices of **industrial producers** rose by 3.4% (+2.9% in June) year-on-year. It was the most since February 2012. Prices were higher particularly in ‘coke, refined petroleum products’. On the increase were prices in ‘basic metals, fabricated metal products’ (+3.6%), ‘electricity, gas, steam and air conditioning’ (+2.3%), ‘chemicals and chemical products’ (+7.6%) and ‘mining and quarrying’ (+8.4%). Prices were lower in ‘transport equipment’ (-0.8%), thereof ‘parts and accessories for motor vehicles’ (-1.6%). On the decrease were also prices in ‘food products, beverages, tobacco’ (-0.7%), thereof ‘preserved meat and meat products’ (-5.2%) and ‘other food products’ (-5.8%).

Among the main industrial groupings, prices of ‘energy’ (+9.7%) increased the most, decreased only prices of ‘non-durable consumer goods’ (-0.6%), year-on-year.

According to an estimate, **construction work** prices rose by 3.4% (+3.1% in June after specification) and construction material input prices grew by 4.5% (+3.6% in June).

Pricesof **market services for businesses** were higher by 1.7% (+1.8% in June). Increasing were prices in ‘employment services’ (+9.6%), ‘security and investigation services’ (+9.3%) and ‘insurance services’ (+5.4%). On the increase were also prices of ‘real estate services’ (+3.0%), ‘architectural and engineering services’ (+2.0%), ‘publishing services’ (+1.9%) and ‘land transport services and transport services via pipelines’ (+1.4%). Lower were prices of ‘management consulting services’ (-1.4%), ‘advertising and market research services’ (-1.9%) and ‘warehousing and support services for transportation’ (-2.3%). Prices of market services for businesses excluding advertising services increased by 1.8% (+1.9% in June).

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

According to the Eurostat News Releases, industrial producer prices increased in June by 0.4% (+1.1% in May) in EU28, **month-on-month.** The highest increases in prices were observed in Denmark (+2.6%). Prices went up in Slovakia (+0.7%), the Czech Republic (+0.6%), Austria and Germany (+0.4% both) and in Poland (+0.2%). Prices fell the most in Luxembourg (-0.9%).

Industrial producer prices were higher in June by 4.4% (+3.7% in May) in EU28, **year-on-year**.

The highest increases in prices were recorded in Denmark (+9.1%). Prices rose in Slovakia (+5.6%), Poland (+4.1%), Austria (+3.6%), Germany (+3.0%) and in the Czech Republic (+2.9%). Decreases were observed only in Ireland (-2.6%) and Luxembourg (-1.5%).

*Notes:*

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*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: 17 September 2018*

***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)