HWWI Commodity Price Index decreases in May

**Prices for energy raw materials declines significantly**

- Index for Energy Raw Materials declines by 12.4% (US Dollar basis)
- Index for Industrial Raw Materials declines by 4.2%
- Index for Food and Beverages declines by 3.6%

(Hamburg, June 14, 2023) In May, the downward trend of the HWWI Commodity Price Index from the first quarter of 2023, except for April (+2.9%), continued (-10.9%). The index was thus 41% lower in May than in the same month a year earlier. All three individual indices (energy raw materials, industrial raw materials, food and beverages) declined in May. The Index for Energy Raw Materials fell most sharply, by 12.4%. As in previous months, the changes in the overall index were thus largely attributable to changes in the Index for Energy.

**Index for Energy Raw Materials: Declines in subindices for crude oil, coal, and natural gas**

The Sub-Index for Natural Gas fell significantly in May, by 19.8%. At 58%, it remained far below the May 2022 level. The index development reflects the fact that the worst expectations regarding gas supplies following the start of the Russian war of aggression on Ukraine did not materialize and the situation has eased.

The Sub-Index for Coal also fell quite sharply in May (-14.5%) and was 59.4% lower than in the same month a year earlier. The reason for the falling prices can be attributed to waning concerns about supply security have eased significantly due to the onset of Summer. In addition, import demand from China remains weak.

After rising briefly in April, crude oil prices also fell again in May (-9.1%), continuing the downward trend since the start of the year. The Sub-Index for Crude Oil was 32.3% lower in May than in the same month a year earlier.

**Overall, the Index for Energy Raw Materials fell by 12.4% (euro basis: 11.7%) in May to 188.9 points (euro basis: 198.9 points).**

**Falling prices for industrial raw materials**

The Index for Industrial Raw Materials fell by 4.2% in May and was 26.5% below the year-earlier level.

The Subindex for Iron ore and steel scrap decreased slightly by 6.6% and was 30.6% lower than a year earlier. A moderate demand for steel causes a price-dampening effect, while global production is declining.
The Sub-Index for Non-Ferrous Metals decreased by 4.7% in the mail and was 19.1% below the value of May 2022.

The Sub-Index for Agricultural Commodities decreased by 0.4% in May and was 37.0% below the value of the same month last year.

*The Index for Industrial Raw Materials reached a value of 115.2 points (euro basis 121.2). It fell by an average of 4.2% for the month (euro basis -3.4%) and was thus 26.5% (euro basis 28.5%) lower than a year earlier.*

**Index for Food and Beverages declines as well**

The Index for Food and Beverages fell by 3.6% in May compared with the previous month. It was thus 17.5% lower than in the same month a year earlier. Within the Sub-Index, prices for cereals fell by 3.6% and prices for oilseeds by 7.2%. Prices for luxury foods rose very slightly on average (+0.2%).

*Overall, the Index for Food and Beverages fell by an average of 3.6% for the month (euro basis -2.8%) and stood at 150.4 points (euro basis: 158.1 points).*

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Please note that the base year of the HWWI Commodity Price Index has been changed from 2015 to 2020. In addition, the weights by which the various prices are included in the index have been updated using new trade data. Information on the new weightings can be found here: [https://www.hwwi-rohindex.de/ueber-den-index/](https://www.hwwi-rohindex.de/ueber-den-index/)

The HWWI Commodity Price Index is a comprehensive, weekly calculated indicator for the price developments on the world commodity markets, which contains the important internationally traded commodities. Since 1960, the HWWI Commodity Price Index has been measuring the price changes in the raw material import accounting of the industrialized countries. It is thus an indicator for the cost development of imported raw materials and serves, among others, central banks, research institutes and international institutions for their analyses.