

COMMENTARY

Trend in December 2011

A. Export and import price indices

Month-on-month comparison:

- **Exports:** export prices rose by 0.3% (+2.0% in November). The change of the total m-o-m export price index was driven mainly by 0.8% price growth in 'machinery and transport equipment'. Among important sections, prices in 'crude materials, inedible, except fuels', 'miscellaneous manufactured articles' and 'manufactured goods classified chiefly by material' increased by 2.3%, 0.3% and 0.1%, respectively. There were observed significant price drops in 'mineral fuels, lubricants and related materials' (-3.7%) and 'chemicals and related products' (-1.0%).
- **Imports:** import prices increased by 0.8% (+1.8% in November). Increase of the total m-o-m import price index was driven mainly by a 1.0% price growth in 'machinery and transport equipment'. Among important sections, price growths were recorded in 'mineral fuels, lubricants and related materials' (+1.3%), 'crude materials, inedible, except fuels' (+0.5%), 'miscellaneous manufactured articles' (+0.3%) and 'manufactured goods classified chiefly by material' (+0.2%). There was no price drop recorded among observed sections.
- The **terms of trade** figures decreased to 99.5% (100.2% in November). Significant negative values of the terms of trade figures were recorded in 'mineral fuels, lubricants and related materials' (95.1%), 'chemicals and related products' (99.0%) and 'machinery and transport equipment' (99.8%). The terms of trade figures in 'miscellaneous manufactured articles' did not change. Only positive values of the terms of trade figures reached prices in 'crude material, inedible, except fuels' (101.8%).

Year-on-year comparison:

- **Exports:** export prices increased by 3.5% (+5.8% in November). Prices rose in all important sections. The change of the total y-o-y export price index was driven mainly by 7.4% price growth in 'manufactured goods classified chiefly by material'. In 'mineral fuels, lubricants and related materials', 'chemicals and related products', 'miscellaneous manufactured articles' and 'machinery and transport equipment' prices increased by 6.0%, 5.0%, 4.5% and 1.0%, respectively.
- **Imports:** import prices increased for twentieth successive month, this time by 5.1% (+7.6% in November). Change of the total y-o-y import price index came mainly from a 23.3% price increase in 'mineral fuels, lubricants and related materials' (+33.9% in November). Among important sections, price growths were recorded in 'chemicals and related products' (+4.8%), 'manufactured goods classified chiefly by material' (+3.4%), 'miscellaneous manufactured articles' (+2.3%) and 'machinery and transport equipment' (+0.2%). Prices did not fall in any of observed sections.
- The **terms of trade** climbed to 98.5% (98.3% in November), however they remained in negative values for the twenty-fourth consecutive month. Among important sections, negative values of the terms of trade figures recorded 'mineral fuels, lubricants and related materials' (86.0%) and 'crude materials, inedible, except fuels' (92.9%). Positive values of the terms of trade figures, among important sections, reached 'manufactured goods classified chiefly by material' (103.9%), 'miscellaneous manufactured articles' (102.2%) and 'machinery and transport equipment' (100.8%).

B. Price indices for international transport

Month-on-month comparison:

- Prices of *international passenger rail transport* for the Czech Republic (assets) and prices in the direction from the Czech Republic (liabilities) decreased both by 1.6% and prices of transit fell down by 1.5%.
- Price index of *international freight rail transport* (only for the Czech Republic) went down in import direction by 2.0% and in export direction by 1.5%. Price index in transit increased by 2.2%.
- Prices of *international passenger air transport* in the direction to the Czech Republic increased by 0.7% and in the direction from the Czech Republic they did not change. Index of *freight air transport* grew in the direction to the Czech Republic by 4.0% and in the direction from the Czech Republic it remained unchanged.

Year-on-year comparison:

- Prices of *international passenger rail transport* increased for the Czech Republic (assets) by 7.1%, in the direction from the Czech Republic (liabilities) by 8.7% and prices of transit by 6.6%.
- Price index of *international freight rail transport* (only for the Czech Republic) increased in import direction by 6.8% and in transit by 16.7%. In export direction price index decreased by 7.1%.
- Prices of *international passenger air transport* decreased by 1.9% in the direction to the Czech Republic and by 1.4% in the direction from the Czech Republic. Price index of *freight air transport* increased in the direction to the Czech Republic by 4.1% and in the direction from the Czech Republic price by 0.2%.

Trend in 2011

A. Export and import price indices

- For the whole year 2011 export prices increased by 1.7% (-1.0% in 2010), import prices increased by 4.3% (+2.0% in 2010).
- **Exports:** biggest price growth was recorded in 'mineral fuels, lubricants and related materials' (+13.0%), 'crude materials, inedible, except fuels' (+10.5%) and 'chemicals and related products' (+7.4%). Only price drop among important sections was registered in 'machinery and transport equipment' (-2.5%).
- **Imports:** prices increased significantly in 'mineral fuels, lubricants, and related materials', 'crude materials, inedible, except fuels', 'manufactured goods classified chiefly by material' and 'chemicals and related products' by 24.4%, 23.1%, 5.1% and 4.9%, respectively. 'Machinery and transport equipment' prices went down by 2.7% and 'miscellaneous manufactured articles' prices' by 1.3%.
- The **terms of trade** figures in total reached negative value of 97.5% in 2011 (97.1% in 2010).

B. Price indices for international transport

- Prices of *international passenger rail transport* increased on average in year-on-year comparison for the Czech Republic (assets) by 2.0%, in the direction from the Czech Republic (liabilities) by 3.6% and prices of transit by 1.6% on average. Compared to previous year prices went up especially in second half of the year 2011.
- Prices of *international freight rail transport* (only for the Czech Republic) were higher in import direction and in transit for the whole year 2011 compared to 2010, they rose by 6.8% on average in import direction and by 9.4% in transit. On the contrary, prices in export direction were in year-on-year comparison lower for the whole year 2011, except for March 2011, they decrease by 3.5% on average.
- Prices of *international passenger air transport* in direction to the Czech Republic predominantly fell down in separate month 2011 in year-on-year comparison, they decreased by 3.3% on average. In the direction from the Czech Republic prices were lower compared to 2010, except for first quarter 2011, their drop was 1.5% on average. Prices of *freight air transport* in the direction to the Czech Republic were lower than in previous year, except November and December, on average they dropped by 5.0%. In the direction from the Czech Republic prices were higher for the whole year 2011 compared to previous year, they increased by 4.0% on average.