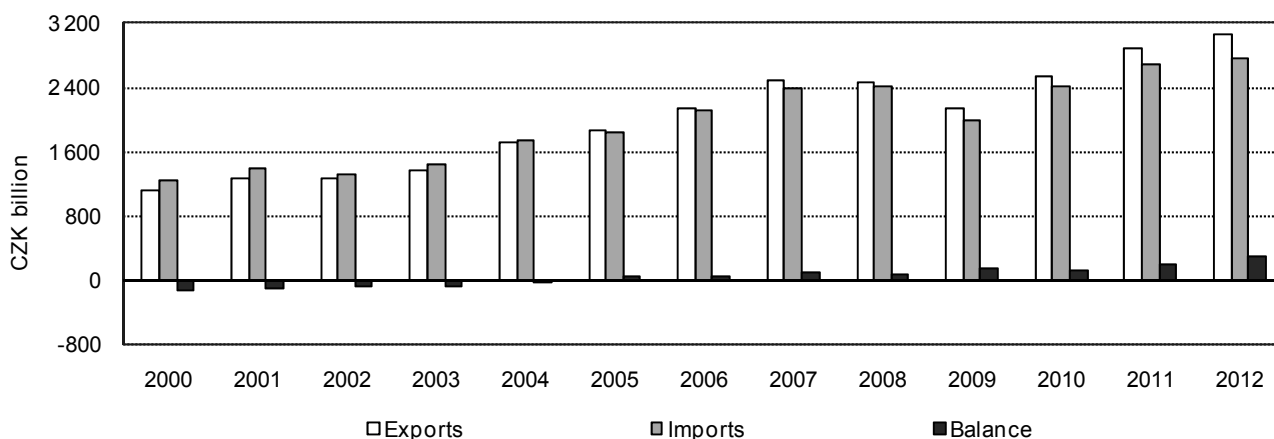


External trade in goods in 2012

The growth of external trade continued in 2012¹, but compared to 2011 was slightly slower by 7.7 percentage points (p.p.). The **external trade turnover** grew by 4.9% and its absolute year-on-year (y-o-y) increment of CZK 273.2 bn was lower by CZK 348.7 bn compared to 2011. From 2010 to 2012 the value of the external trade turnover increased 2.5 times (by CZK 3 476.5 bn) and reached CZK 5 839.5 bn. The external trade surplus (CZK 305.7 bn) was the highest since 2005, when the Czech Republic external trade recorded positive balance for the first time since the Republic establishment and this positive balance was characteristic for all the following years. The positive balance of external trade in 2012 was almost eight times higher compared to that in 2005.

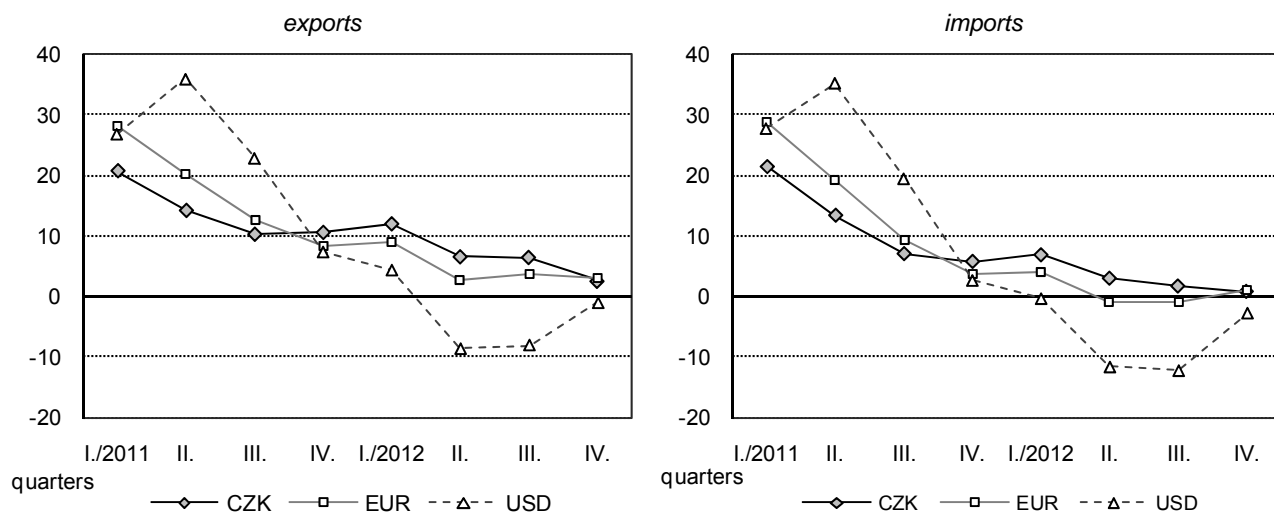
Graph 1 - External trade from 2000 to 2012



Exports grew by 6.7%, y-o-y, and reached CZK 3 072.6 bn. The attained y-o-y increment (CZK 193.9 bn) in exports was lower by CZK 152.0 bn compared to that in 2011 against 2010. Compared to 2000, in 2012 exports increased by 174.1% (CZK 1 951.5 bn) and, if compared to those in 2004, when the Czech Republic acceded to the European Union, grew by 78.4% (CZK 1 349.9 bn). The highest y-o-y increase in exports was seen in Q1 2012 (11.9%), in Q2 2012 it dropped to 6.5% in Q3 2012 to 6.4% and in Q4 2012 fell to 2.5%. Exports² expressed in EUR and USD demonstrated a y-o-y increase only in USD by 4.2% and in EUR claimed a decrease of 3.8% in 2012.

Imports were higher by 3.0% (CZK 79.3 bn), y-o-y and reached CZK 2 766.9 bn. Compared to 2000, in 2012 imports increased by 122.8% (CZK 1 525.0 bn) and were higher by 58.2% (CZK 1 017.8 bn) compared to those of the year of the Czech Republic accession to the European Union. The all-year trend in imports was influenced by gradually dropping y-o-y growth in particular quarters (from 6.8% in Q1 2012 to 2.9%, 1.6% and 0.7% in following quarters 2012). Imports expressed in EUR and USD were higher only in EUR by 0.3% and USD claimed a y-o-y decrease by 7.4%.

Graph 2 - Year-on-year changes in exports and imports as percentage in respective quarters of 2011 and 2012

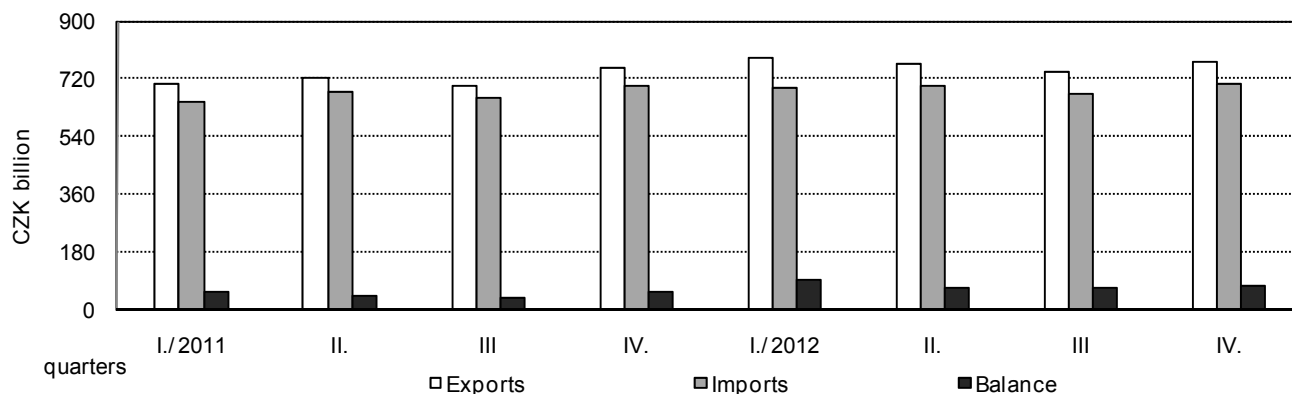


¹ 2011 and 2012 data are final.

² In January to December 2012 the Czech crown weakened against EUR by 2.2% and against USD by 9.7% compared to January to December 2011.

The external trade surplus reached CZK 305.7 bn and was by CZK 114.6 bn higher compared to that in 2011. Thus the coverage of imports by exports rose from 107.1% in 2011 to 111.0% in 2012. The attained active trade balance resulted from positive balances in all quarters. The highest surplus in trade balance was seen in Q1 2012 (CZK 94.5 bn) and in following quarters was around CZK 70 bn (in Q2 2012 the trade balance surplus was CZK 69.7 bn, in Q3 2012 reached CZK 69.6 bn and in Q4 2012 attained CZK 71.9 bn). The positive balance of external trade showed a gradual y-o-y growth from CZK 39.4 bn in Q1 2012, CZK 27.0 bn in Q2 2012 and CZK 33.9 bn in Q3 2012 to the lowest value of CZK 14.2 bn in Q4 2012.

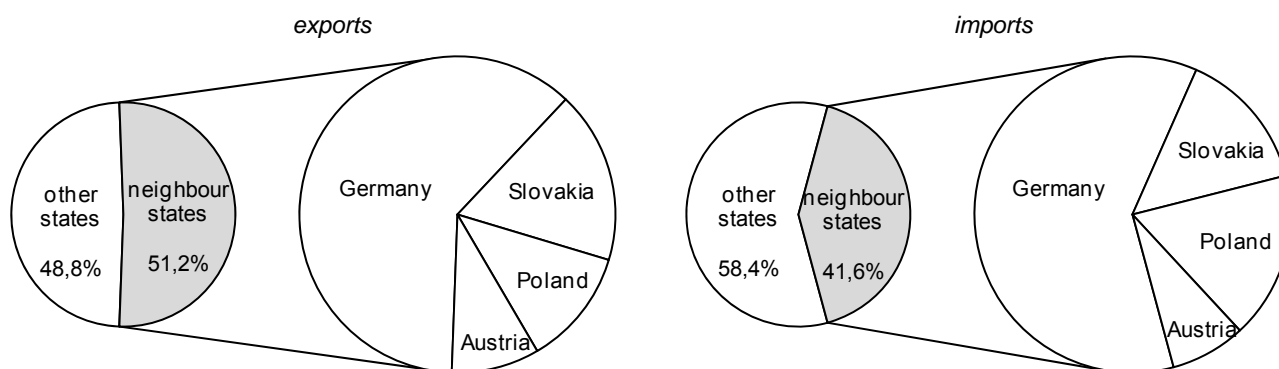
Graph 3 - External trade in respective quarters of 2011 and 2012



Exports were higher y-o-y to the EU Member States³ and non-EU countries. Exports to the EU Member States grew relatively by 4.1%, y-o-y, and to non-EU countries by 19.5%, y-o-y. From the EU Member States above average y-o-y growth was recorded in exports to Latvia (42.0%), Bulgaria (30.7%), the United Kingdom (13.0%), Romania (9.7%), and to Hungary (9.2%). On the contrary, a y-o-y decline was seen in exports to bigger amount of the EU Member States (for example to France, Italy, the Netherlands, Portugal and Finland). From non-EU countries a y-o-y increment in exports was recorded in trade with the South Korea (37.8%), Ukraine (36.6%), Japan (35.5%), the Russian Federation (27.4%), the United States (25.4%) and with China (10.8%).

Exports to our neighbour states increased in case of Germany by 4.2%, Poland by 3.1%, Slovakia by 7.7%, and of Austria by 8.4%.

Graph 4 - External trade with neighbour states in 2012 (shares in %)



Imports increased y-o-y from both the EU Member states and non-EU countries. Imports from the EU Member States were relatively higher by 3.5%, y-o-y and from non-EU countries by 1.4%, y-o-y. From the EU Member States over average y-o-y increase was recorded in imports from example from Poland (11.2%), Hungary (9.6%), the Netherlands (9.5%), and from Slovakia (9.1%). On the contrary, a y-o-y decline in imports was seen in case of Belgium (2.1%), Spain (1.2%) and of France (0.5%). Imports from Germany grew by 1.5% and imports from Austria stayed on the same level as in 2011.

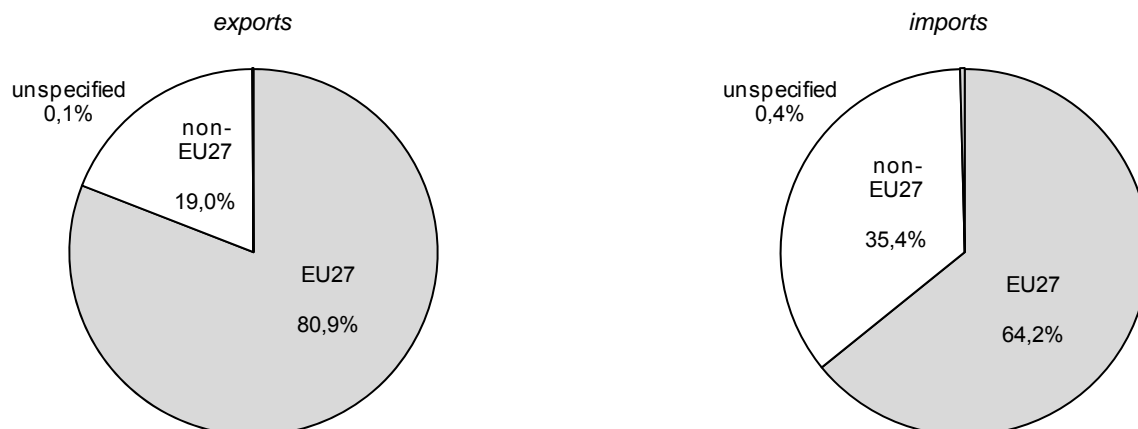
From non-EU countries y-o-y decline in imports was caused mainly due to a decrease in imports from China (8.4%), imports from the other important partners recorded a y-o-y increment, for example in case of the United States (13.3%), the Russian Federation (8.4%) and Japan (1.7%).

³ EU = European Union (27 member states): Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

The **balance of external trade** with the EU Member States ended in a surplus of CZK 710.4 bn, which was by CZK 37.0 bn higher, y-o-y, and that with non-EU countries finished in a deficit of CZK 395.0 bn, which lowered by CZK 82.0 bn, y-o-y.

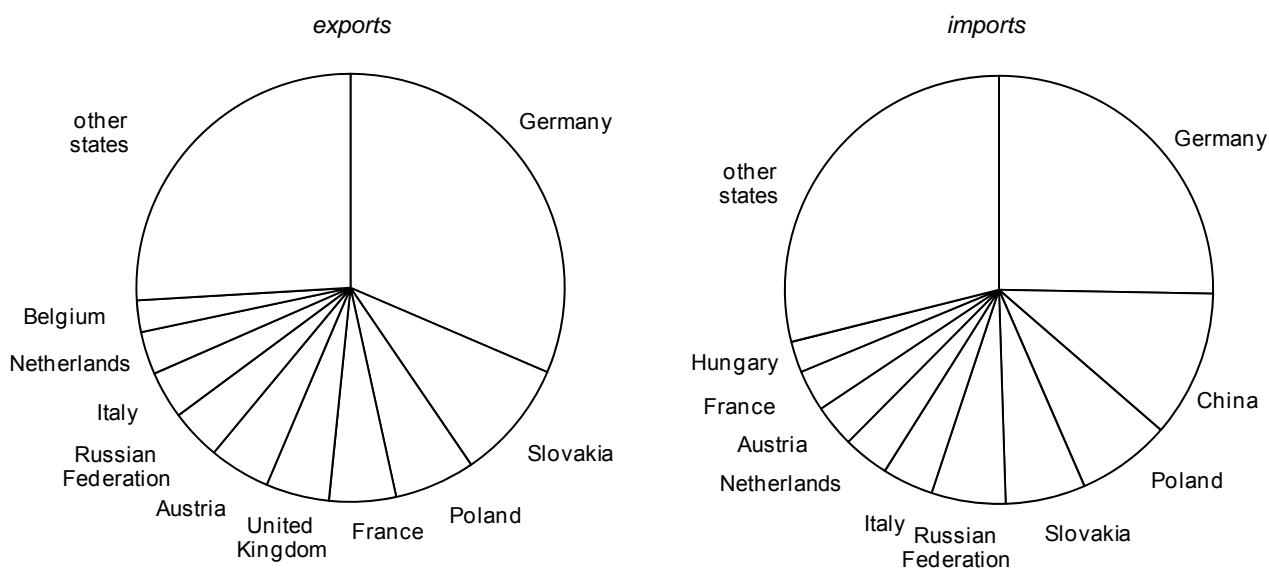
Concerning the **exports structure by territory** the shares of the EU Member States weakened by 2.1 p.p., y-o-y. On the other hand position of non-EU countries strengthen by 2.1 p.p., y-o-y. Concerning the **imports structure by territory** the shares of the EU Member States grew by 0.4 p.p., y-o-y and position of non-EU countries fell by 0.5 p.p., y-o-y.

Graph 5 - Exports and imports by group of countries in 2012 (shares in %)



In 2012 a **dominant portion of exports** (over 80%) **went to thirteen states**, mainly to Germany. Despite the y-o-y growth in exports by 4.2% (CZK 39.1 bn) the Germany share in total exports got slightly weaker by 0.8 p.p., y-o-y. Shares of the other twelve states oscillated from 2.0% for Spain to 9.0% for Slovakia. The most significant relative y-o-y growth was recorded in exports to the Russian Federation (27.4%), followed ones to the United States (25.4%), to the United Kingdom (13.0%), Hungary (9.2%), Austria (8.4%) and to Slovakia (7.7%). The value of exports to Slovakia demonstrated the second highest y-o-y increase in exports from the EU Member States (CZK 19.9 bn). The position of Slovakia in ranking of total exports rose from 8.9% to 9.0%, y-o-y. Poland kept the third position in total exports (but by 0.2 p.p lower, y-o-y) with a y-o-y increase in exports (CZK 5.6 bn). The positive development in exports to the Russian Federation (y-o-y increase by CZK 25.4 bn) and to the United States (y-o-y increase by CZK 14.2 bn) resulted in an increment of their share in total exports by 0.6 p.p and by 0.4 p.p. (7th and 12th place). The other important export partners were the eight EU Member States as follows: France, the United Kingdom, Austria, Italy, the Netherlands, Belgium, Hungary, and Spain. The value of exports to the United Kingdom, Austria, Belgium and Hungary showed a y-o-y increase of almost CZK 40 bn. On the other hand, exports to France, Italy and the Netherlands were lower, y-o-y (altogether by CZK 12.4 bn). The exports to Spain stayed on the same position as in 2011.

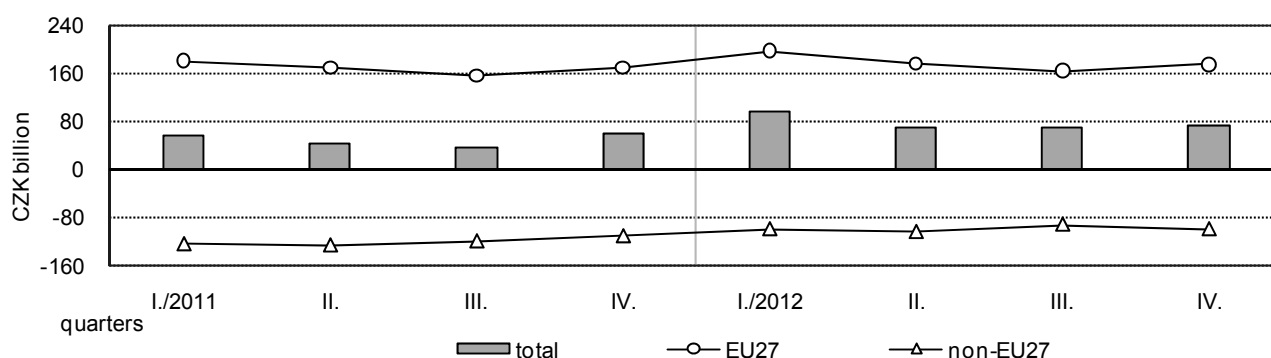
Graph 6 - The most important trade partners in 2012



The **prevailing portion of imports** (over 77%) in 2012 **arrived from thirteen states**. The strongest position (share 25.3% compared to 25.7% in 2011) in total imports belonged to Germany with a value of imports y-o-y higher by CZK 10.0 bn. The positions of the other twelve states in total imports oscillated from 2.0% for Japan to 11.1% for China. Among thirteen main trade partners composed of eight EU Member States and of five non-EU countries, of which China and the Russian Federation occupied the second and fifth rankings by the extent of imports, respectively. Especially the Russian Federation recorded a high y-o-y increase (by 8.4%, CZK 11.9 bn) in imports. While imports from China fell by 8.4% (CZK 28.0 bn), y-o-y, and affected the y-o-y decrease in the share of imports from China in total imports by 1.3 p.p. Poland was on the third place with a value of imports of CZK 196.4 bn and a share of 7.1% in total imports. Further import partners from the EU Member States were Slovakia, Italy, the Netherlands, Austria, France, and Hungary. Except for France (a decrease by CZK 0.5 bn, y-o-y) and for Austria (stagnation in imports from 2011) the value of imports from the rest of the EU Member States was altogether higher by CZK 30.0 bn, y-o-y.

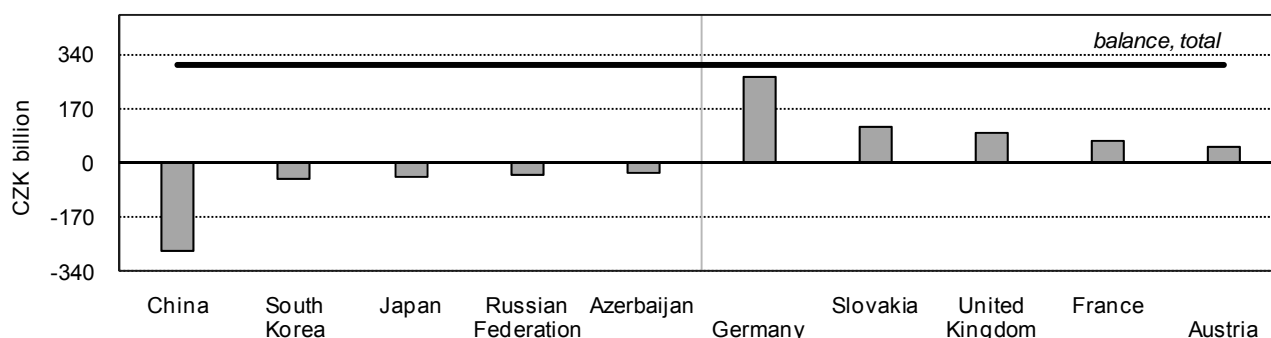
The **trade balance** and its year-on-year **changes with the EU Member States and non-EU countries reflected the external trade balance with major trade partner states**.

Graph 7 - Trade balance - total, with the EU Member States, and with non-EU countries



The **overall positive balance of external trade with the EU Member States** (CZK 710.4 bn) was affected by a high surplus of external trade with Germany (imports were covered by exports at 138.1%), which grew by CZK 29.1 bn, y-o-y. External trade with Slovakia brought the second highest positive balance, which was by CZK 5.9 bn higher, y-o-y. The third and fourth highest positive balances were seen in external trade with the United Kingdom (surplus increased by CZK 15.5 bn) and France (surplus decreased by CZK 0.8 bn). The fifth and sixth highest positive balances (by CZK 11.0 bn and CZK 3.3 bn higher, y-o-y) were noticed in trade with Austria and Belgium. Surplus fell in case of Italy and the Netherlands (in both by CZK 10.7 bn), and Sweden (by CZK 0.9 bn). A significant y-o-y decrease was seen in trade balance with Poland which changed from a surplus of CZK 4.8 bn in 2011 to a deficit of CZK 9.3 bn in 2012. A passive balance was also recorded in trade with Ireland and Luxemburg. The other EU Member States except for Finland, Portugal, Greece and Slovenia increased a positive trade balance.

Graph 8 - Trade balance with selected countries in 2012

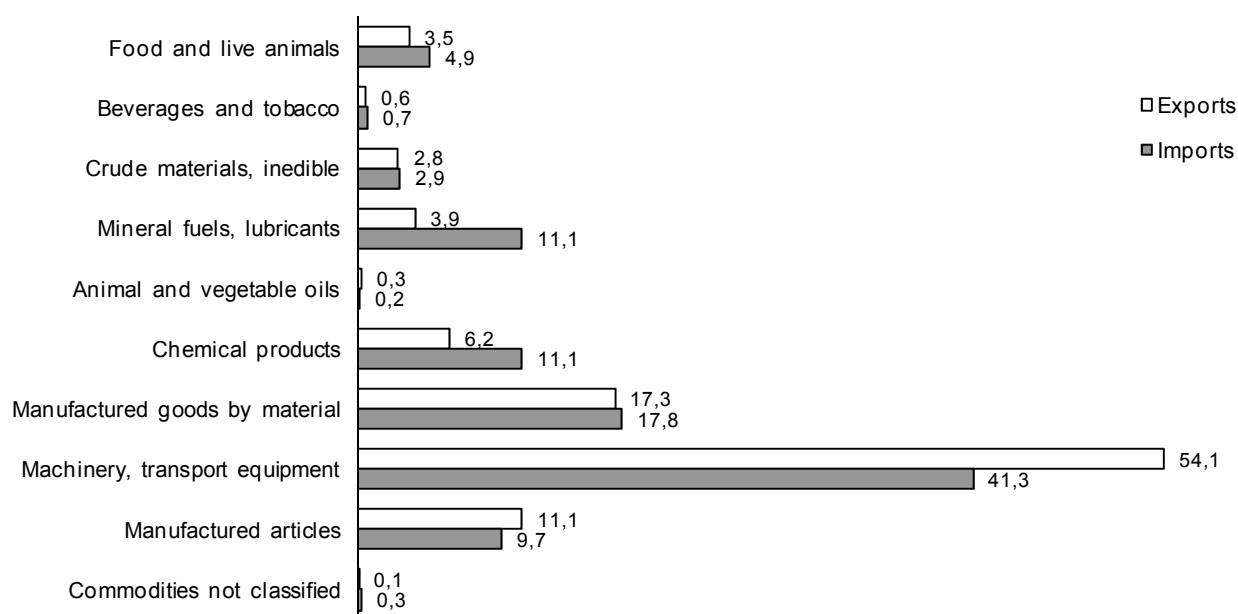


The **total positive trade balance of external trade was affected in an adverse manner by a high deficit of external trade with non-EU countries** (CZK 395.0 bn). The largest passive balance in trade was with China (in 2012 imports were covered by exports at 10.7% compared to 8.8% in 2011, thanks to a deficit drop by CZK 31.2 bn), further then with the Russian Federation and Japan (deficit down by CZK 13.4 bn and by CZK 2.7 bn, respectively, y-o-y). The external trade deficit with the these three states attained in total CZK 352.6 bn. High deficits were also found in external trade with the South Korea, Azerbaijan, Thailand, Taiwan, Malaysia, Norway, Singapore, and Kazakhstan.

The **external trade structure by commodity** was accompanied with a y-o-y growth in exports in all classes of the SITC. The highest y-o-y increment was recorded in **exports** of machinery and transport equipment (by CZK 87.1 bn, of which by CZK 23.8 bn went to the EU Member States), then followed by miscellaneous manufactured articles (by CZK 33.2 bn), manufactured goods classified chiefly by materials (by CZK 24.7 bn), food and live animals (by CZK 16.7 bn), and chemicals and related products (by CZK 9.3 bn), furthermore, mineral fuels, lubricants and related materials (by CZK 9.1 bn), crude materials inedible, except fuels (by CZK 5.6 bn), animal and vegetable oils, fats and waxes (by CZK 4.4 bn) and beverages and tobacco (by CZK 2.8 bn)

The highest y-o-y increase in **imports** (different from exports) was recorded for mineral fuels, lubricants and related materials (by CZK 21.3 bn). The second highest increase was noticed in imports of machinery and transport equipment (by CZK 16.6 bn), which was in a significant manner affected by their increased imports from the EU Member States by CZK 24.2 bn. The y-o-y increment was also in imports of food and live animals (by CZK 13.6 bn), chemicals and related products (by CZK 13.3 bn), miscellaneous manufactured articles (by CZK 8.0 bn), manufactured goods classified chiefly by material (by 3.6 bn), and beverages and tobacco (by CZK 2.2 bn). Y-o-y, imports fell in animal and vegetable oils and fats and waxes (by CZK 0.5 bn) and crude materials, inedible, except fuels (by CZK 0.8 bn).

Graph 9 – Commodity structure of external trade in 2012 (shares in %)



A high **surplus**, by CZK 70.4 bn higher y-o-y (due to a y-o-y increased surplus with the EU Member States) was found in trade in machinery and transport equipment. The second highest active balance with a y-o-y growth by CZK 25.2 bn was detected in trade with miscellaneous manufactured articles. The positive balance was also recorded in trade in manufactured goods classified chiefly by materials (up by CZK 21.2 bn), furthermore in trade in crude materials, inedible, except fuels (up by CZK 6.4 bn), animal and vegetable oils, fats and waxes (change from a negative balance of CZK 1.1 bn into a positive one of CZK 3.7 bn) and beverages and tobacco (surplus up by CZK 0.6 bn, y-o-y).

The largest **negative balance** was again recorded in trade in mineral fuels, lubricants and related materials (the passive balance increased by CZK 12.2 bn, y-o-y), and then in trade in chemicals and related products (the balance got worse by CZK 4.0 bn, y-o-y), and in trade in food and live animals (deficit up by CZK 3.1 bn, y-o-y).

The major portion of external trade was implemented by **exports and imports of manufactured products** as in the previous years. In 2012 manufactured products contributed to total exports by 93.6% (93.5% in 2011) and total imports by 87.2% (87.6% in 2011).

Exports of manufactured products grew by 6.8 % (CZK 184.2 bn) y-o-y and therefore they substantially contributed (by almost 95%) to the y-o-y increase of total exports. The largest item of exports of manufactured products was motor vehicles, trailers and semi-trailers. The over average y-o-y growth in exports of this item by 7.2% (CZK 37.7 bn) resulted in its stronger representation in total exports of manufactured products to 19.5% from 19.4% in 2011. Other important items of exports of manufactured products were computer, electronic and optical products, which recorded a low increase in exports by 1.7% (CZK 8.2 bn) and thus their ranking in total exports of manufactured products got weaker (from 17.8% in 2011 to 17.0%), furthermore, machinery and equipment (12.2%), electrical equipment (9.5%), fabricated

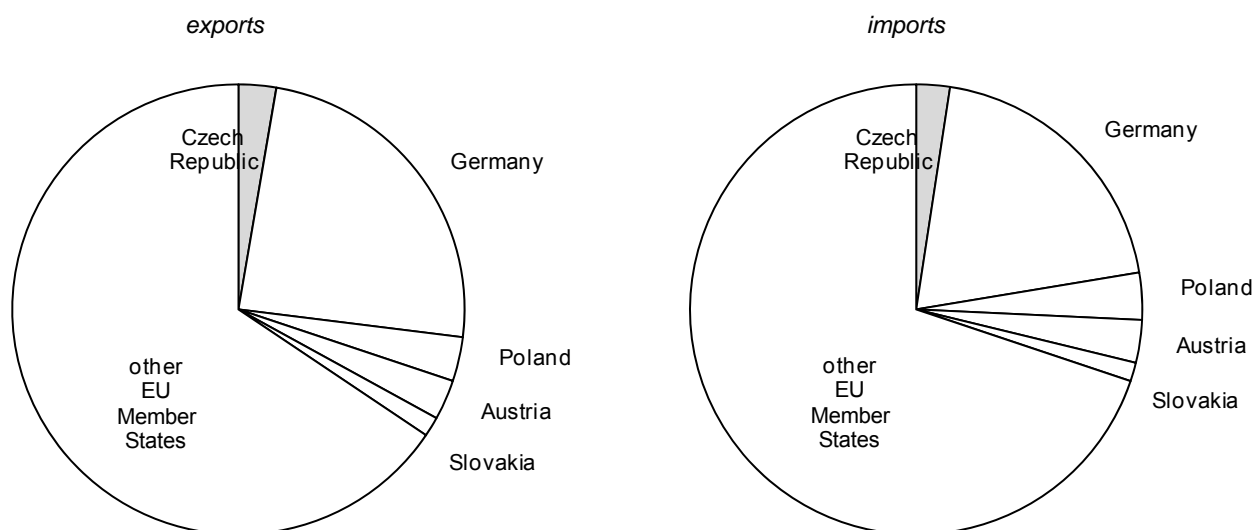
metal products, except machinery and equipment (6.1%), chemicals and chemical products (5.3%), and basic metals (5.2%).

Imports of manufactured products grew by 2.5% (CZK 59.9 bn), y-o-y, and therefore markedly affected (by approximately 76%) the y-o-y increase of total imports. The largest item of the imports of manufactured products that is computer, electronic and optical products recorded a decrease by 3.8% between 2011 and 2012, and its position in imports of manufactured products got weaker to 18.6 from 19.9 in 2011. Further items of imports of manufactured products with more significant shares were motor vehicles, trailers and semi-trailers (11.4%), machinery and equipment (10.3%), basic metals (8.9%), chemicals and chemical products (8.8%), electrical equipment (8.1%), and rubber and plastic products (5.3%). Besides manufactured products, it was crude petroleum and natural gas, which showed a significant share in total imports of other CZ-CPA items (7.7% compared to 7.0 in 2011). Imports of this items increased by 13.3% (CZK 24.8 bn), y-o-y.

The **external trade surplus in manufactured products** reached CZK 462.1 bn and was by CZK 124.3 bn, higher, y-o-y. The positive balance of external trade increased in motor vehicles, trailers and semi-trailers by CZK 24.2 bn and reached CZK 286.1 bn. In 2012 computer, electronic and optical products reached a positive balance by CZK 38.6 bn (a y-o-y increment in the trade balance of external trade was CZK 26.1 bn).

In 2012 external trade of the EU Member States in total⁴ continued growing, but recorded growth rates were rather slower than in 2011. After a strong growth of exports and imports by 12.0% and 11.6% respectively in 2011, exports and imports of the EU Member States increased by 3.3% (EUR 146.0 bn) and 1.8% (EUR 81.4 bn) respectively, y-o-y. The Czech Republic contributed in the total EU Member States exports and imports by 2.7% and 2.4% as well as in 2011. Compared to the average rate of growth of the total EU Member States an increase in exports of the Czech Republic was by 0.8 p.p. higher and reached 4.1%. On the other hand, the growth rate of the Czech Republic imports was only 0.2% and compared to the EU Member States was by 1.6 p.p. lower. Balance of the EU Member States closed with a deficit of EUR 33.8 bn against a deficit of EUR 98.4 bn in 2011.

Graph 10 - Share of the Czech Republic and neighbouring states in external trade of the EU in 2012



In 2012 the new EU Member States⁵ contributed to the total EU exports by 12.2% and to the total EU imports by 12.4% compared to 12.0% and 12.3% in 2011. Y-o-y, their exports and imports grew by 4.5% and 2.1% respectively against 16.2 and 12.3% in 2011. The Czech Republic share in exports and imports of the new EU Member States was 22.1% and 19.4% respectively. Balance of external trade of the new EU Member States ended in a deficit of EUR 14.1 bn in 2012, which was by EUR 12.1 bn lower than that in 2011. The Czech Republic (EUR 12.3 bn), Hungary (EUR 6.7 bn), Slovakia (EUR 2.6 bn) and Slovenia (EUR 0.1 bn) were the new EU Member States which recorded a positive trade balance. The largest deficit posted Poland (EUR 9.8 bn) and Romania (EUR 9.6 bn).

⁴ Eurostat, the statistical office of the European Union, 15 August 2013.

⁵ New EU Member States: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia.