

Commentary

External trade - April 2010

According to preliminary data, seasonally adjusted exports and imports fell by 1.9% and 3.0% respectively **compared with March 2010**. The development trend shows increasing exports (+0.9%) and imports (+0.1%).

Year-on-year, exports and imports at current prices rose by 13.0% (CZK +22.9 bn) and 12.9% (CZK +21.0 bn) respectively. Exports have been growing continuously since November 2009; imports have been showing increases since January 2010. External trade turnover stood at CZK 382.1 bn reaching approximately the April 2007 turnover level (CZK 389.2 bn). Appreciation of CZK against both main currencies resulted in faster growth of external trade in EUR (exports +19.5%, imports +19.4%) and in USD (exports +21.5%, imports +21.4%) than in CZK. April 2010 had the same number of working days as April 2009.

The balance of trade yielded a surplus of CZK 15.4 bn, which was by CZK 1.9 bn more in comparison to April 2009. April trade balance has been continuously positive since 2007. Increases in surplus were recorded in trade in 'miscellaneous manufactured articles' (by CZK 1.9 bn), 'crude materials, inedible, except fuels' (by CZK 1.3 bn), 'machinery and transport equipment' (by CZK 1.1 bn), 'beverages and tobacco' (by CZK 0.1 bn). Deficit narrowed in trade in 'chemicals and related products' (by CZK 0.4 bn) and 'animal and vegetable oils, fats and waxes' (by CZK 0.2 bn). On the other hand, trade gap deepened in trade in 'mineral fuels, lubricants and related products' (by CZK 2.4 bn) and 'food and live animals' (by CZK 0.2 bn). Surplus dropped in trade in 'manufactured goods classified chiefly by material' by CZK 0.4 bn.

Total 'machinery and transport equipment' exports rose by 11.3% (CZK 10.7 bn) year-on-year. Increases in exports were observed mainly in electrical machinery, apparatus and appliances (CZK +4.5 bn), road vehicles (CZK +4.4 bn) and general industrial machinery and equipment (CZK +1.6 bn). Total 'machinery and transport equipment' imports were up by 14.3% (CZK 9.6 bn), of which the largest gains were registered in electrical machinery, apparatus and appliances (CZK +4.7 bn), office machines and automatic data-processing machines (CZK +3.0 bn) and telecommunications and sound-recording equipment (CZK +1.5 bn). Mineral fuels imports rose by 32.4% (CZK 4.5 bn) year-on-year. Imports of crude petroleum grew by 26.5% in value while it dropped by 17.1% in volume; imports of natural gas were higher by 52.2% in value and 99.9% in volume.

The trade balance with EU member states ended in a surplus of CZK 48.9 bn, which was by CZK 9.3 bn higher year-on-year. Trade gap with non-EU countries widened to CZK 33.5 bn from CZK 26.1 bn in April 2009. Surplus rose in trade with Slovakia (by CZK 2.1 bn), Italy and Spain (both by CZK 1.5 bn), Austria (by CZK 1.2 bn) and France (by CZK 1.0 bn). Deficit deepened in trade with China (by CZK 3.4 bn) and Russia (by CZK 2.2 bn). Surplus in trade with Germany fell by CZK 0.2 bn to CZK 15.1 bn year-on-year.

In the **twelve months to April 2010**, compared with the previous twelve months, exports and imports fell by 3.9% and 8.1% respectively. Trade balance reached a surplus of CZK 165.1 bn, which was by CZK 90.4 bn higher. Deficit decreased in trade in 'mineral fuels, lubricants and related materials' (by CZK 42.1 bn), 'chemicals and related products' (by CZK 7.6 bn) and 'animal and vegetable oils, fats and waxes' (by CZK 0.6 bn). Surplus grew in trade in 'machinery and transport equipment' (by CZK 17.2 bn), 'miscellaneous manufactured articles' (by CZK 14.1 bn), 'crude materials, inedible, except fuels' (by CZK 11.4 bn) and 'beverages and tobacco' (by CZK 0.5 bn). Unfavourable development of trade balance was observed in 'food and live animals' (deficit up by CZK 2.8 bn) and 'manufactured goods classified chiefly by material' (surplus down by CZK 0.8 bn).

Trade surplus with EU member states rose by CZK 12.1 bn and trade gap with non-EU countries was by CZK 78.3 bn lower, over last twelve months. Deficit dropped in trade with Russia (by CZK 21.4 bn), Japan (by CZK 16.3 bn), China (by CZK 12.5 bn) and Azerbaijan (by CZK 9.3 bn). Surplus was up in trade with Italy (by CZK 10.0 bn) and Germany (by CZK 9.0 bn). Balance deteriorated in trade with Poland (by CZK 18.0 bn) as surplus turned into a deficit; and surplus fell in trade with the Netherlands (by CZK 6.2 bn), Romania (by CZK 5.1 bn) and Slovakia (by CZK 2.2 bn).

In **January-April 2010**, exports and imports rose by 11.1% and 9.9% respectively. The trade surplus amounting to CZK 61.2 billion was up by CZK 13.4 billion year-on-year.

According to the CZSO's sources, the data were reported by 98.2% of firms (goods dispatched) and 98.0% of firms (goods arrived) among the companies obliged to report to the Intrastat system.

Data for companies exempted from the reporting duty according to amended Decree No 201/2005 Coll. and for companies that failed to report have been imputed. The imputation methods are based on data that the companies reported in the previous period and data from the VAT returns.