

Commentary

External trade - August 2010

According to preliminary data, seasonally adjusted exports and imports grew by 0.3% and 1.4% respectively **compared with July 2010**. The development trend shows increasing exports (+1.9%) and imports (+1.4%).

Year-on-year, exports and imports at current prices rose by 23.0% (CZK +36.6 bn) and 30.1% (CZK +45.2 bn) respectively. Imports growth rate has been surpassing exports growth rate for the sixth month. The results were influenced by a low comparative basis of August 2009 (the lowest monthly turnover in 2009). Appreciation of CZK/EUR brought the higher increases of exports and imports expressed in EUR than in CZK (+27.1% and +34.5% respectively); due to depreciation of CZK/USD exports and imports increases in USD were lower than in CZK (+14.9% and +21.5% respectively).

The external trade balance ended in a surplus of CZK 0.5 bn, which was by CZK 8.6 bn less in comparison to August 2009. A deterioration of trade balance was recorded mainly in 'machinery and transport equipment' (surplus down by CZK 6.1 bn). Deficit widened in trade in 'mineral fuels, lubricants and related materials' (by CZK 3.0 bn), 'chemicals and related products' (by CZK 1.3 bn) and 'food and live animals' (by CZK 0.3 bn). On the other hand, surplus rose in trade in 'miscellaneous manufactured articles' and 'crude materials, inedible, except fuels' (both by CZK 0.7 bn) and 'manufactured goods classified chiefly by material' (by CZK 0.3 bn). Balance of trade in 'beverages and tobacco' (a surplus of CZK 0.3 bn) remained at the same level as in August 2009.

Total 'machinery and transport equipment' exports were up by 22.2% (CZK +18.5 bn) year-on-year. The biggest increases were recorded in exports of 'electrical machinery, apparatus and appliances' (CZK +4.9 bn), 'road vehicles' (CZK +3.2 bn) and 'office machines and automatic data-processing machines' (CZK +2.9 bn). Total 'machinery and transport equipment' imports rose by 41.8% (CZK +24.6 bn). The largest increases in imports were posted in 'electrical machinery, apparatus and appliances' (CZK +8.8 bn), 'office machines and automatic data-processing machines' (CZK +5.9 bn) and 'telecommunications and sound-recording equipment' (CZK +4.0 bn). 'Mineral fuels, lubricants and related materials' imports grew by 24.9% (CZK +3.9% bn) year-on-year mainly due to higher imports of crude petroleum (+42.5% in value, +12.6% in volume). Natural gas imports grew by 11.6% in value while they fell by 21.9% in volume.

The trade balance with EU member states ended in a surplus of CZK 38.9 bn, which was by CZK 5.9 bn higher year-on-year. The trade gap with non-EU countries widened by CZK 14.5 bn to CZK 38.4 bn. Deficit grew in trade with China (by CZK 9.3 bn), Azerbaijan (by CZK 1.4 bn) Korea (by CZK 1.3 bn) and Ireland (by CZK 1.0 bn). The balance deteriorated in trade with the Ukraine (by CZK 1.1 bn) as surplus turned into a deficit. Surplus was up in trade with Slovakia (by CZK 1.9 bn), Germany (by CZK 1.8 bn) and Austria (by CZK 1.3 bn); the trade gap declined in trade with Russia (by CZK 1.7 bn).

In the **twelve months to August 2010**, compared with the previous twelve months, exports and imports grew by 8.3% and 6.6% respectively. The trade balance showed a surplus of CZK 137.3 bn, which was by CZK 43.2 bn higher. Increases of surplus were recorded in trade in 'machinery and transport equipment' (CZK +19.5 bn), 'miscellaneous manufactured articles' (CZK +17.9 bn) and 'crude materials, inedible, except fuels' (CZK +6.8 bn). Deficits narrowed in trade in 'chemicals and related products' (by CZK 3.6 bn) and 'animal and vegetable oils, fats and waxes' (by CZK 2.4 bn). Balance deteriorated in trade in 'manufactured goods classified chiefly by material' (surplus down by CZK 3.6 bn), 'food and live animals' (deficit up by CZK 3.5 bn), 'mineral fuels, lubricants and related materials' (deficit up by CZK 0.1 bn) and 'beverages and tobacco' (surplus down by CZK 0.1 bn).

The trade surplus with EU member states rose by CZK 78.6 bn to CZK 547.6 bn and the trade gap with non-EU countries was by CZK 35.4 bn higher amounting to CZK 410.3 bn, over the last twelve months. Surplus was up in trade with France (by CZK 16.0 bn), Italy (by CZK 13.8 bn), Germany (by CZK 13.7 bn), the United Kingdom (by CZK 12.6 bn), Spain (by CZK 10.9 bn) and Slovakia (by CZK 8.4 bn). Deficit declined in trade with Japan (by CZK 10.8 bn) and Russia (by CZK 2.5 bn). Balance deteriorated in trade with Poland (by CZK 9.4 bn) as a surplus turned into a deficit; the trade gap increased in trade with China (by CZK 30.8 bn) and Thailand (by CZK 7.7 bn).

In **January-August 2010**, exports and imports rose by 15.9% and 18.0% respectively. The trade surplus was down by CZK 12.2 bn reaching CZK 86.8 bn year-on-year.

According to the CZSO's sources, the data were reported by 97.8% of firms (goods dispatched) and 97.9% 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.