

Commentary

External trade - June 2010

According to preliminary data, seasonally adjusted exports and imports grew by 3.8% and 5.7% respectively **compared with May 2010**. The development trend shows increasing exports (+2.0%) and imports (+2.8%).

Year-on-year, exports and imports at current prices rose by 19.7% (CZK +36.6 bn) and 28.0% (CZK +46.5 bn) respectively. Exports growth rate was higher than imports growth rate by 8.3 p. p.; exports growth rate have been surpassing imports growth rate for the fourth successive month. In June 2010, external trade turnover was up by CZK 83.1 bn year-on-year and reached the highest June value since 1993. Due to appreciation CZK/EUR by 3.0% in average and depreciation of CZK/USD by 10.3% in average, exports and imports expressed in euro increased by 23.2% and 31.8% respectively; and exports and imports valued in US dollars were up by 7.3% and 14.8% respectively. June 2010 had the same number of working days as June 2009.

The balance of trade showed a surplus of CZK 10.4 bn, which was by CZK 9.9 bn less in comparison to June 2009. June trade balances have been continuously positive since 2004; surplus was the largest in June 2009 (CZK +20.3 bn). Deficits widened in trade in 'mineral fuels, lubricants and related products' and in 'food and live animals' by CZK 4.9 bn and CZK 0.7 bn respectively; and surpluses fell in trade in 'machinery and transport equipment' and in 'manufactured goods classified chiefly by material' by CZK 4.5 bn and CZK 0.6 bn respectively. An increase in surplus was registered in trade in 'miscellaneous manufactured articles' (by CZK 0.4 bn); and trade gap in 'chemicals and related products' narrowed (by CZK 0.2 bn). Surpluses in trade in 'crude material inedible, except fuels' (CZK +1.8 bn) and 'beverages and tobacco' (CZK +0.5 bn) have remained at the same level as in June 2009.

Total 'machinery and transport equipment' exports and imports rose by 20.3% (CZK +20.4 bn) and 36.6% (CZK +24.9 bn) year-on-year, respectively. The biggest increases in exports were recorded in 'road vehicles' (CZK 6.2 bn), 'electrical machinery, apparatus and appliances' (CZK +5.3 bn) and 'office machines and automatic data-processing machines' (CZK +4.8 bn). The largest import increases were observed in 'electrical machinery, apparatus and appliances' (CZK +7.2 bn), 'office machines and automatic data-processing machines' (CZK +6.7 bn) and 'telecommunications and sound-recording equipment' (CZK +4.9 bn). 'Mineral fuels, lubricants and related materials' imports rose by 51.0% (CZK +6.9 bn) year-on-year mainly due to higher exports of crude petroleum (+93.3% in value, +32.6% in volume) and natural gas (53.4% in value, 37.5% in volume).

The trade balance with EU member states ended in a surplus of CZK 51.6 bn, which was by CZK 10.3 bn higher year-on-year. Trade gap with non-EU countries widened by CZK 20.2 bn to CZK 41.4 bn. Deficit grew in trade with China (by CZK 9.1 bn), Korea (by CZK 2.3 bn) and Russia (by CZK 1.5 bn). Balance deteriorated in trade with Azerbaijan (by CZK 2.2 bn) as surplus turned into a deficit. Surplus rose in trade with France (by CZK 2.7 bn), Spain (by CZK 1.8 bn), United Kingdom (by CZK 1.3 bn), Italy (by CZK 1.1 bn), Germany (by CZK 0.7 bn) and Slovakia (by CZK 0.3 bn).

In the **twelve months to June 2010**, compared with the previous twelve months, exports grew by 3.0% and imports fell by 0.3%. Trade balance gave a surplus of CZK 155.1 bn, which was by CZK 72.1 bn higher. Increases of surplus were recorded in trade in 'machinery and transport equipment' (CZK +25.4 bn), 'miscellaneous manufactured articles' (CZK +16.9 bn), 'crude materials, inedible, except fuels' (CZK +9.2 bn) and 'beverages and tobacco' (CZK +0.3 bn). Deficits narrowed in trade in 'mineral fuels, lubricants and related materials' (by CZK 18.5 bn), 'chemicals and related products' (by CZK 5.1 bn) and 'animal and vegetable oils, fats and waxes' (by CZK 1.2 bn). Balance deteriorated in trade in 'food and live animals' (deficit up by CZK 3.4 bn) and 'manufactured goods classified chiefly by material' (surplus down by CZK 1.4 bn).

Trade surplus with EU member states rose by CZK 52.3 bn to CZK 529.5 bn and trade gap with non-EU countries was by CZK 19.8 bn lower amounting to 374.4 bn, over last twelve months. Surplus was up in trade with France (by CZK 15.3 bn), Italy (by CZK 12.9 bn), Spain (by CZK 12.3 bn), United Kingdom (by CZK 11.9 bn), Germany (by CZK 8.7 bn) and Slovakia (by CZK 2.2 bn). Deficit dropped in trade with Japan (by CZK 14.7 bn) and Russia (by CZK 7.5 bn). Balance deteriorated in trade with Poland (by CZK 12.5 bn) as surplus turned into a deficit. Trade gap grew in trade in China (by CZK 8.1 bn), Thailand (by CZK 5.9 bn) and Korea (by CZK 5.3 bn).

In **January-June 2010**, exports and imports rose by 15.0% and 15.8% respectively. The trade surplus was up by CZK 3.4 bn reaching CZK 83.2 bn year-on-year.

According to the CZSO's sources, the data were reported by 98.1% of firms (goods dispatched) and 98.1% 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.