

COMMENTARY

Trend in March 2010

Month-on-month comparison:

- **Exports:** export prices decreased by 1.0% in March (growth by 0.2% in February). The drop of the total m-o-m export price index came mainly from a 1.0% price decrease in 'machinery and transport equipment'. The decreases were recorded also for prices of 'mineral fuels, lubricants and related materials' by 3.7%, 'miscellaneous manufactured articles' by 1.3% and 'manufactured goods classified chiefly by materials' and 'food and live animals' both by 0,8%. The price growth was registered only in 'crude materials, inedible, except fuels' by 2.9%.
- **Imports:** import prices went down by 0.1% (growth by 0.3% in February). Decrease of the total m-o-m import price index was driven mainly by a 0.7% drop in prices of 'machinery and transport equipment'. Prices of 'miscellaneous manufactured articles' went down by 1.7%, prices of 'chemicals and related products' by 0.6% and prices of 'manufactured goods classified chiefly by materials' by 0.4%. The most marked price growths were registered in 'mineral fuels, lubricants and related materials' by 3.2% and 'food and live animals' by 1.9%.
- The **terms of trade** figures decreased at 99.1% (99.9% in February) and for the fifth successive month remained in negative values. The lowest values of the terms of trade figures were recorded for 'mineral fuels, lubricants and related materials' (93.3%) and 'food and live animals' (97.4%). The terms of trade figures of 'machinery and transport equipment' were 99.7%. Among important section positive values of the terms of trade were registered in 'crude materials, inedible, except fuels', (103.0%), 'chemicals and related products' (100.5%) and 'miscellaneous manufactured articles' (100.4%).

Year-on-year comparison:

- **Exports:** export prices were decreasing for the eighth month, this time by 5.4 % (8.7% in February), especially due to strengthening of the koruna against euro and dollar. The drop of the total y-o-y export price index was mainly affected by a 5.4% price decrease in 'machinery and transport equipment'. More significant price drops were recorded in 'mineral fuels, lubricants and related materials' by 11.9%, 'manufactured goods classified chiefly by material' by 9.9% and 'miscellaneous manufactured articles' by 6.1%. More marked price growths were reported only for 'crude materials, inedible, except fuels' by 27.2% and 'chemicals and related products' by 3.7%.
- **Imports:** import prices decreased by 2.6% (6.7% in February). The decrease of the total y-o-y import price index came mainly from a 4.6% price drop in 'machinery and transport equipment'. Among important sections price drops were also recorded in 'crude materials, inedible, except fuels' by 15.8%, 'miscellaneous manufactured articles' by 6.3% and 'manufactured goods classified chiefly by material' by 4.3%. Price increase was observed only in 'mineral fuels, lubricants and related materials' by 18.9%.
- The **terms of trade** figures dropped at 97.1% in March (97.9% in February) and for the fourth month they remained in negative values. Negative values of the terms of trade figures recorded 'mineral fuels, lubricants and related materials' (74.1%), 'manufactured goods classified chiefly by material' (94.1%), 'food and live animals' (98.1%) and 'machinery and transport equipment' (99.2%). Among sections important in terms of weight, positive values of the terms of trade figures reached 'crude materials, inedible, except fuels' (151.1%), 'chemicals and related products' (107.0%) and 'miscellaneous manufactured articles' (100.2%).