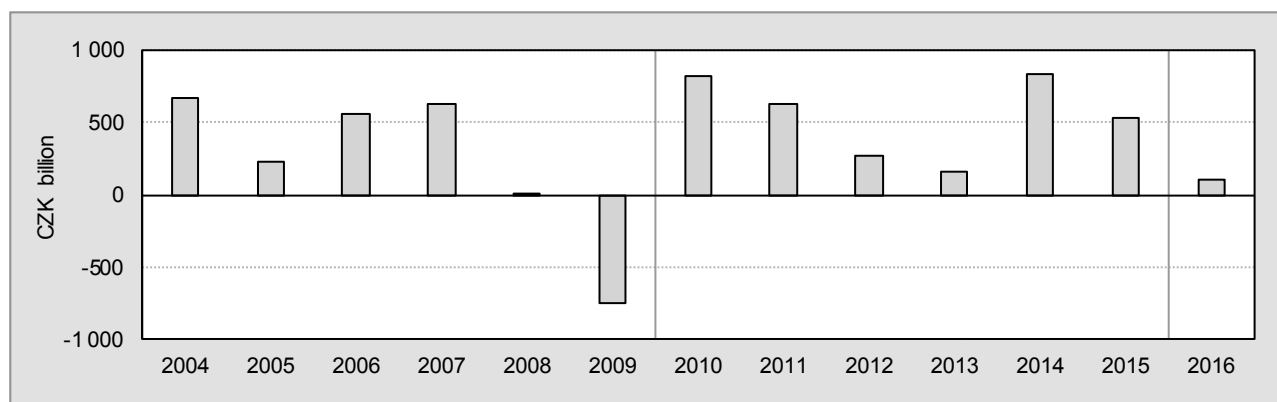


External trade of the Czech Republic in goods¹ in 2016

1. Trends in external trade

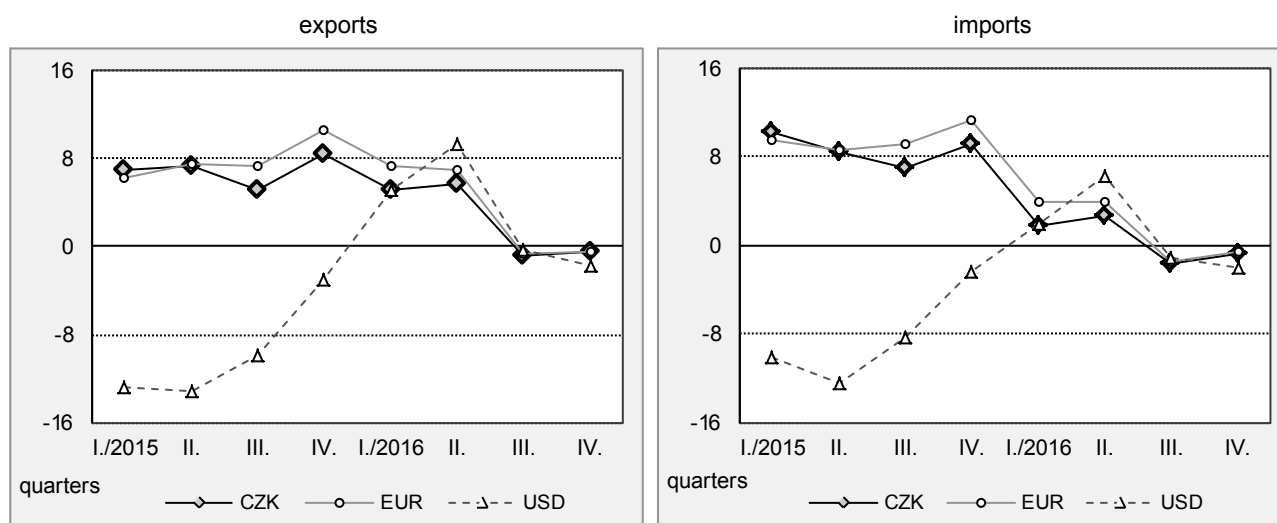
The Czech Republic external trade in goods continued in growing in 2016 mainly due to an increase in exports as imports remained almost on the same level as in previous year. In 2016² external trade **turnover**³ in cross-border concept grew by 1.5% and its absolute increment (CZK +108.5 bn) was by CZK 423.3 bn lower compared to that in 2015. Value of external trade turnover in cross-border concept amounted to CZK 7 468.7 bn in 2016.

Graph 1 - Year-on-year changes in turnover of external trade



In 2016, **exports** reached CZK 3 974.0 bn and its absolute and relative y-o-y increment was the lowest in the last seven years. The similar development in the external trade was seen only in 2013 (an increase of export by 3.3%). In 2016, the attained y-o-y growth of exports by CZK 90.8 bn (2.3%) was by CZK 163.6 bn lower compared to the y increase in exports in 2015.

Graph 2 - Year-on-year changes in exports and imports as percentage



In 2016, exports and imports⁴ expressed in euros increased by 3.3% and 1.4% respectively, just as exports and imports converted to USD grew by 3.1% and 1.2% respectively, y-o-y.

In 2016 **imports** increased to CZK 3 494.7 bn from CZK 3 477.0 bn in 2015. The y-o-y increment was thus the lowest one since 2010, the same as in exports. An absolute y-o-y increment by CZK 17.7 bn was by CZK 259.7 bn lower compared to that in 2015.

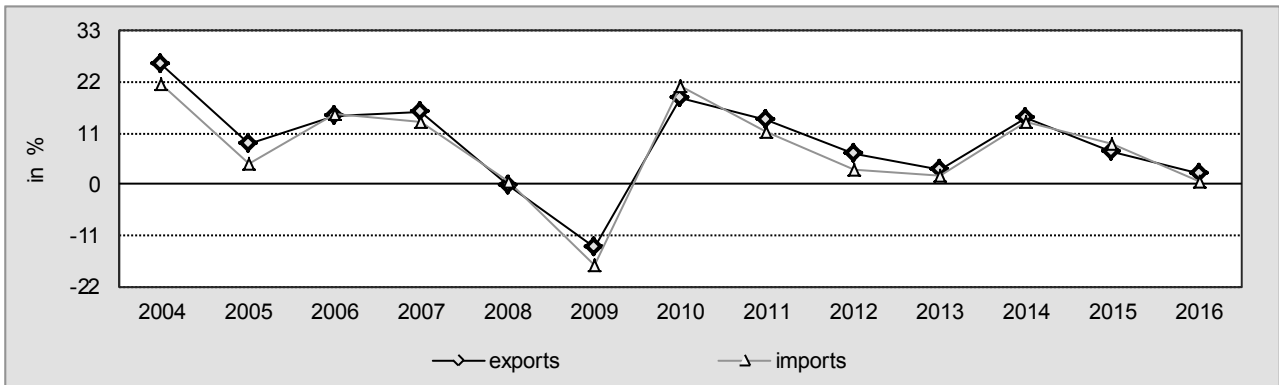
¹ **Cross-border concept of external trade** reflects only physical movements of goods across the border regardless of whether the trade between the Czech and foreign entities occurs. These data are internationally comparable and can be used as indicators of development of value of the trade.

² 2015 and 2016 data are final.

³ From 2016 the methodology of external trade for recording imports of natural gas was updated. This influence is not taken into account in years 2014 and 2015 (estimated value of 4.4 bn CZK and CZK 16.2 bn respectively).

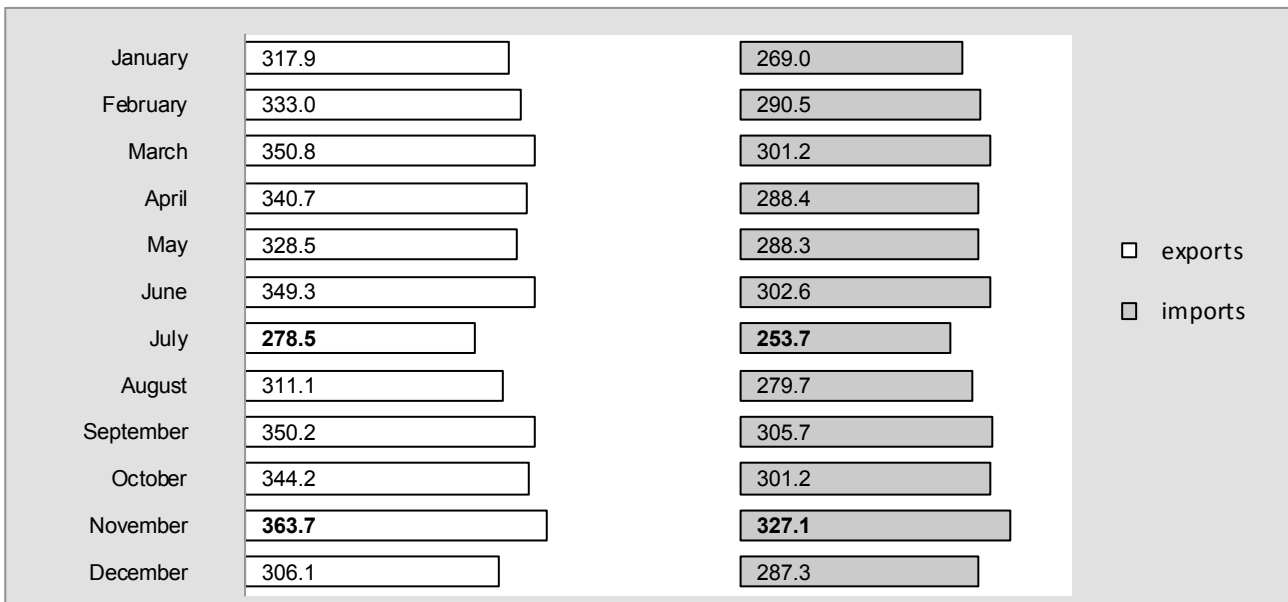
⁴ In January to December 2016 compared to January to December 2015 the Czech crown strengthened against EUR by 0.9% and against USD by 0.7%.

Graph 3 - Year-on-year changes in exports and imports as percentage



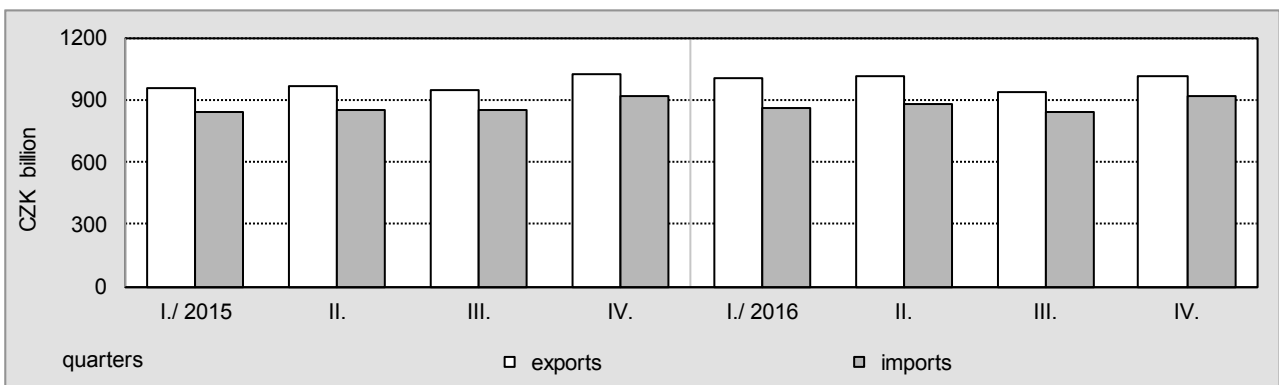
A short-term point of view of external trade development **in individual months of 2016** showed November as a month with the highest value of exports and imports (CZK 363.7 bn and CZK 327.1 bn respectively). The lowest exports and imports (CZK 278.5 bn and CZK 253.7 bn respectively) were recorded in July due to factory holidays in major firms.

Graph 4 - Exports and imports in respective months of 2016 (in billion CZK)



Year-round development of exports and imports was affected by different trends in individual quarters of 2016. While a growth of exports (by +5.1% and +5.7% respectively) was observed in the first and the second quarter of 2016, the third and fourth quarter showed a decrease (by -0.8% and -0.5% respectively). The same trend was recorded in imports, but, in the first two quarters, growth of imports were slower (by +1.8% and +2.7% respectively), and in the second half of 2016 a decrease of imports were stronger (by -1.7% and -0.7% respectively).

Graph 5 – Exports and imports of the Czech Republic

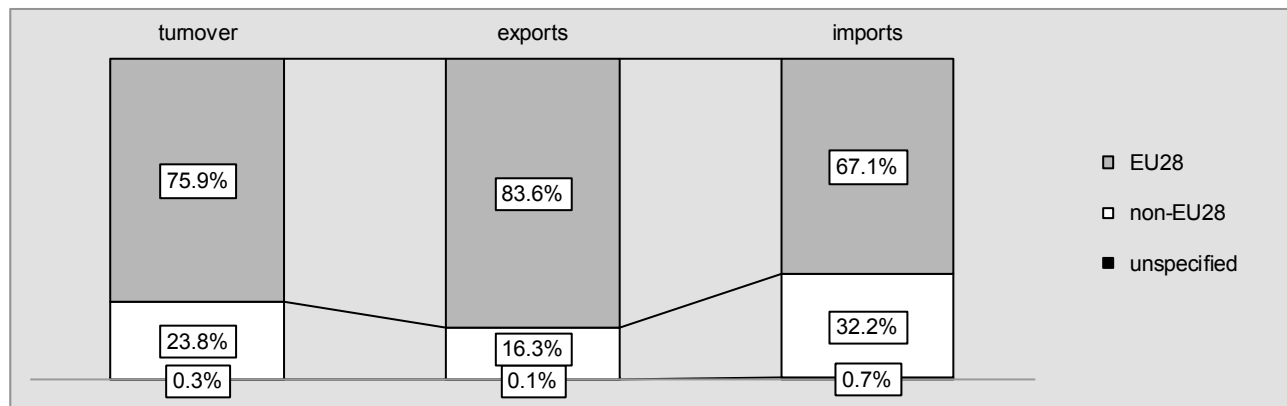


2. Territorial structure

2.1. External trade of the Czech Republic with EU Member States⁵ and non-EU countries

In 2016, a share of external trade with the EU Member States in total amount of the Czech Republic external trade **turnover** reached 75.9% (CZK 5 668.7 bn) against 74.8% (CZK 5 507.8 bn) in 2015, while the contribution of non-EU countries was 23.8%⁶ (CZK 1 774.6 bn) compared to 24.8% (CZK 1 825.7 bn) in 2015.

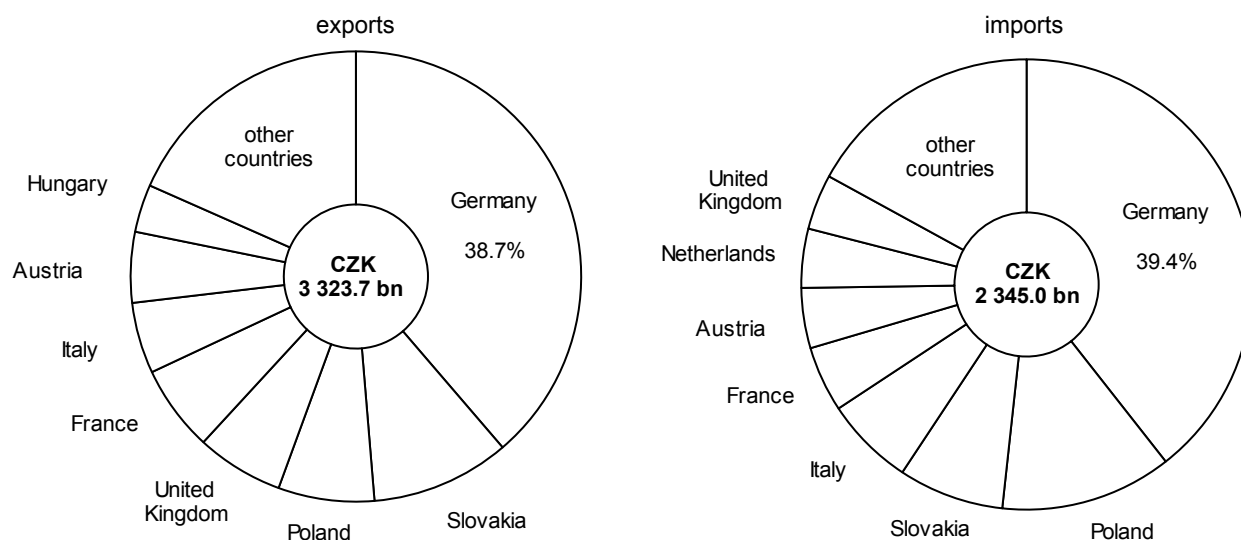
Graph 6 - Exports and imports by group of countries in 2016 (shares in %)



Exports to the EU Member States rose by 2.9% to CZK 3 323.7 bn in 2016. Y-o-y absolute increasing of exports to the EU Member States was influenced mostly by export to Germany (up by CZK 38.4 bn), Italy (up by CZK 22.9 bn), Spain (up by CZK 9.7 bn) and France (up by CZK 6.8 bn). A decrease in exports to Slovakia by CZK 16.7 bn affected the total Czech exports negatively.

An uninterrupted growth of exports to **non-EU countries** since 2010 stopped in 2016. A decrease in exports to the United States (by CZK 5.6 bn), the Russian Federation (by CZK 3.6 bn) and Saudi Arabia (by CZK 3.3 bn) was the main reason of a slight y-o-y decline of exports of the Czech Republic to non-EU countries by 0.1% (CZK 0.9 bn). On the other hand, an increase was recorded in exports to Turkey (by CZK 6.2 bn) and a decrease in exports to Ukraine in 2015 by CZK 5.3 bn turned to a growth by CZK 6.5 bn in 2016.

Graph 7 - External trade with EU states in 2016 (shares in %)



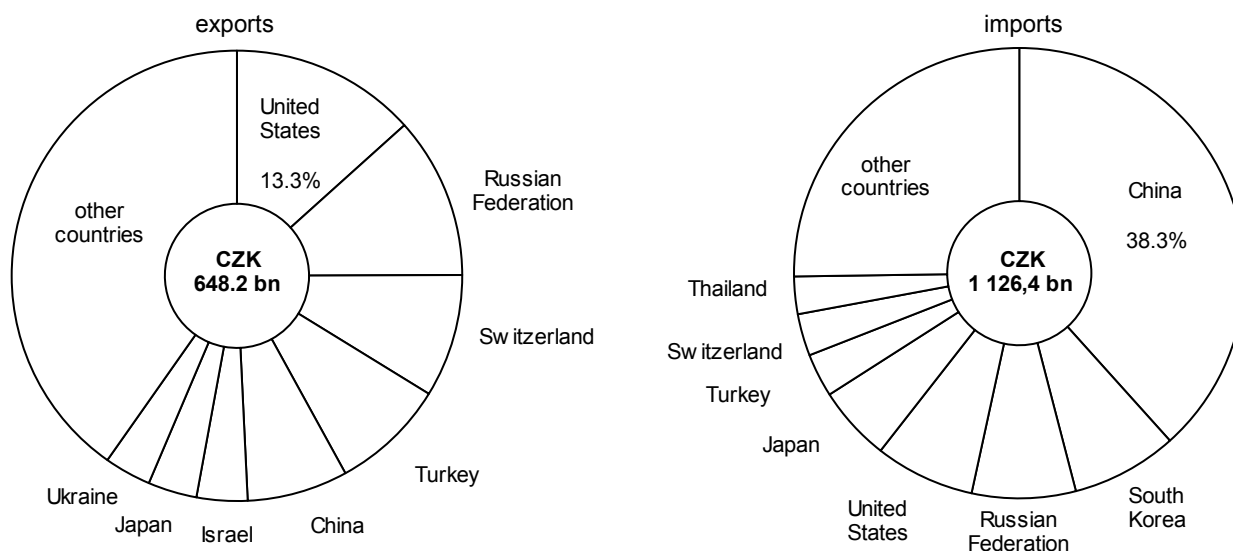
Imports from the EU Member States grew by 3.0% (CZK +68.4 bn) y-o-y and reached CZK 2 345.0 bn. Imports from non-EU countries decreased by 4.3% (CZK -50.2 bn) in 2016 compared to a growth by 10.6% (CZK +112.7 to amount to CZK 1 126.4 bn) in 2015.

⁵ European Union - EU (28 member states): Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

⁶ In 2016, share of unspecified countries in total amount of external trade turnover was 0.3%.

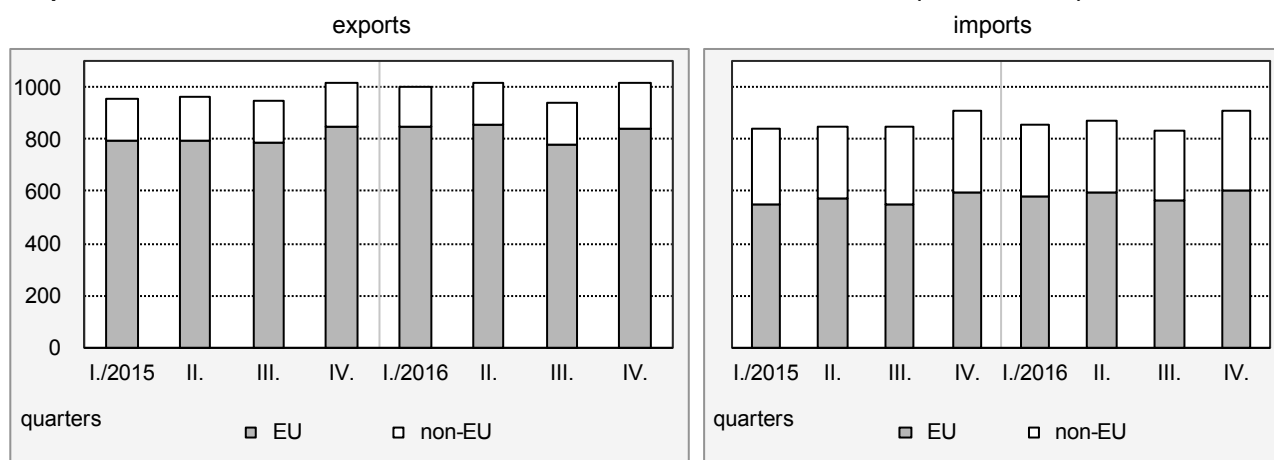
An increase in imports from Germany (CZK +22.6 bn), the United Kingdom (CZK +18.7 bn), Poland (CZK +13.3 bn) and Italy (CZK +9.7 bn) influenced a growth of total annual **imports from EU Member States** positively. Imports fell markedly from the Netherlands (CZK 3.9 bn) and Austria (CZK -2.1 bn); furthermore from Denmark, Slovakia and Hungary.

Graph 8 - External trade with non-EU states in 2016 (shares in %)



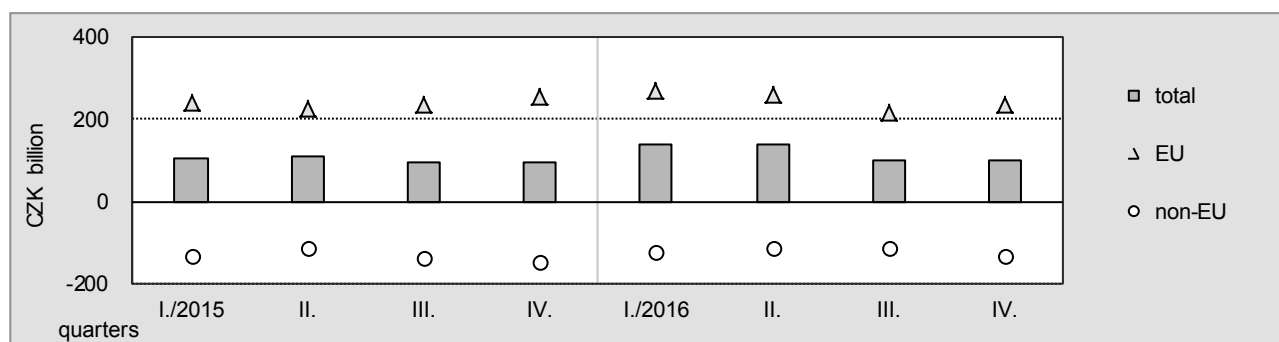
In **imports from non-EU countries** a y-o-y a change in imports from China (-7.6% against +28.7% in 2015) and a continuing decrease in imports from the Russian Federation by 19.1% (CZK -19.8 bn) and Azerbaijan by 54.3% (CZK -13.9 bn) was recorded. On the other hand, imports grew mainly from Japan, Turkey and South Korea.

Graph 9 - External trade with the EU Member States and with non-EU countries (in CZK billion)



The balance of external trade with the EU Member States ended in a surplus of CZK 978.7 bn, which was by CZK 24.1 bn higher, y-o-y. Deficit with non-EU countries narrowed by CZK 49.3 bn to CZK 478.2 bn.

Graph 10 - Trade balance - total, with the EU and with non-EU

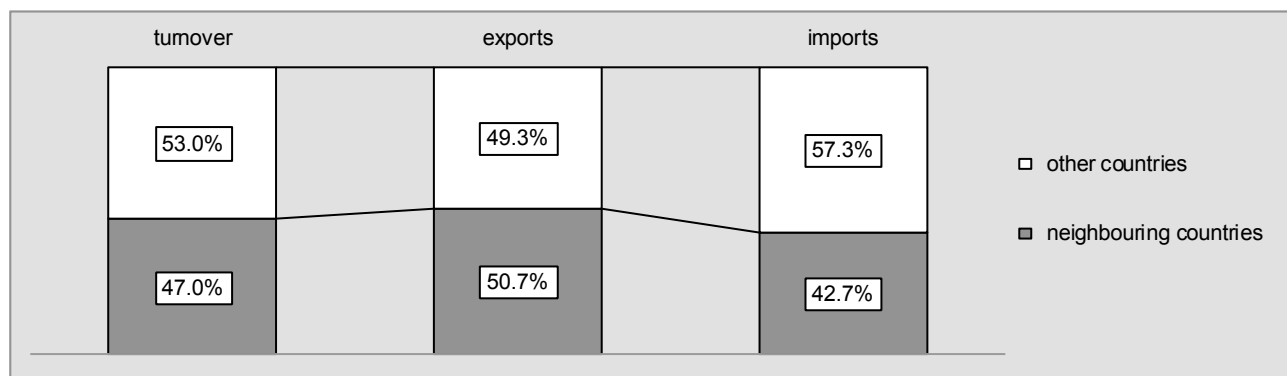


2.2. External trade with neighbouring countries

Prevailing part of the Czech Republic external trade is connected with neighbouring states (Germany, Slovakia, Poland and Austria). Those countries influence rates of growth of total exports, total imports and total balance of external trade. In 2016, a share of external trade with neighbouring countries in total external trade turnover of the Czech Republic was 47.0% (of which shares in total exports and total imports were 50.7% and 42.7% respectively).

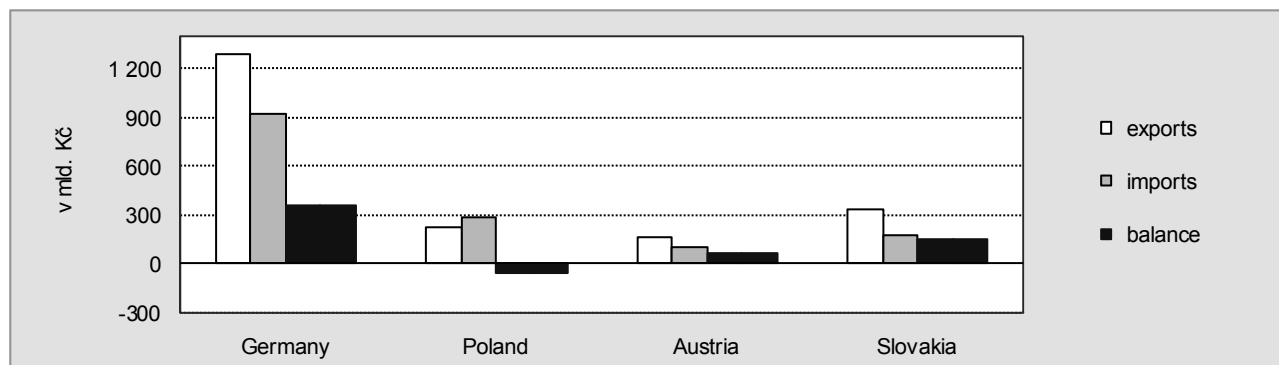
In 2016 compared to 2015, external trade turnover of the Czech Republic with neighbouring countries grew by 1.9% (from CZK 3 441.4 bn to CZK 3 507.6 bn). The growth of exports by 1.7% (from CZK 1 982.5 bn to CZK 2 015.7 bn) to neighbouring countries and growth of imports by 2.3% (from CZK 1 458.9 bn to CZK 1 492.0 bn) from neighbouring states resulted in a y-o-y increment of the trade balance surplus with neighbouring countries in total only by CZK 0.1 bn.

Graph 11 - External trade with neighbouring countries in 2016 (shares in %)



Germany is both the main partner of the Czech Republic in trade with neighbouring countries and, of course, the most significant external trade partner of the Czech Republic. In 2016, Germany contributed to total external trade turnover of the Czech Republic by 29.6% and to total external trade turnover with neighbouring countries by 63.0%. Germany's share in exports to neighbouring countries was 63.8% and its share in imports from those states was 61.9% in 2016.

Graph 12 - External trade of the Czech Republic with neighbouring countries in 2016



The second greatest external trade **partner** of the Czech Republic among the neighbouring countries was newly **Poland** (14.8%), which had also the second greatest share (6.9% in 2016) in total external trade of the Czech Republic. Value of the external trade turnover of the Czech Republic with Poland was (if compared to that of Germany) markedly lower, thus an influence of trade with Poland on total external trade of the Czech Republic was significantly weaker compared to that with Germany.

External trade of the Czech Republic with **Slovakia** held **the third position**, both by a share (14.5% in 2016) in external trade of the Czech Republic with neighbouring countries and by a share in total external trade of the Czech Republic (6.8% in 2016). Slovakia thus did not take the usual second position in the Czech trade partner list by the total value of exported and imported goods for the first time since formation of the independent Czech Republic in 1993. In 2016, the Czech trade with Slovakia did not reached the value of the previous year when fell by 3.3% y-o-y.

Austria with **the lowest share** in external trade of the Czech Republic with neighbouring countries (7.7% in 2016), participated in total external trade turnover of the Czech Republic by 3.6% and took the eighth place.

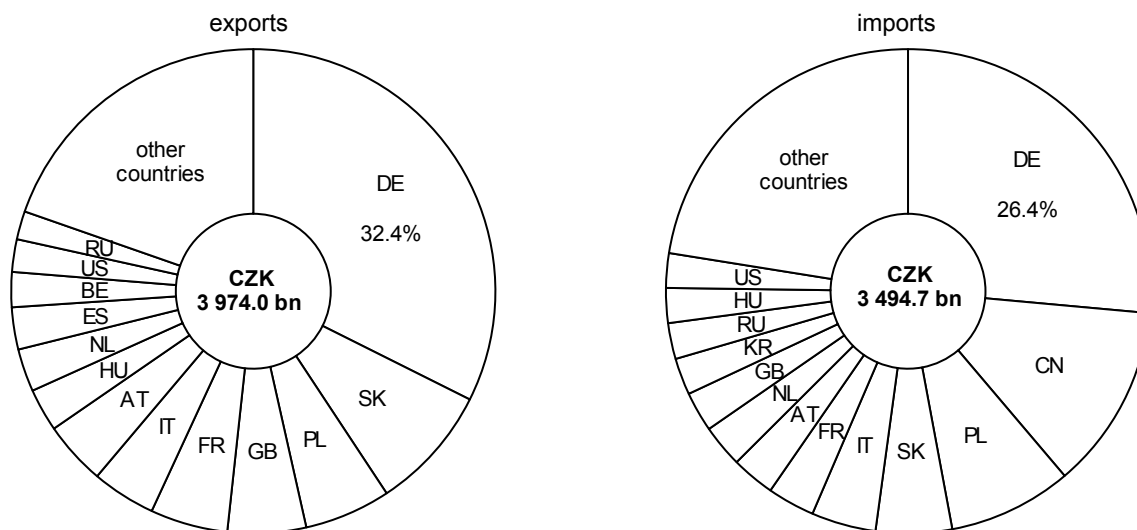
2.3. Exports and imports of the Czech Republic by countries

In 2016, a **dominant part of exports** (more than 80%) went to **thirteen states** (table 2.1), of which eleven were from the European Union and two were from non-EU countries (the United States and the Russian Federation).

As in previous years the largest portion of goods (CZK 1 286.7 bn) was exported to Germany in 2016. Shares of remaining twelve states in total export of the Czech Republic were not as high as that of Germany (32.4%) and oscillated from 1.9% for the Russian Federation to 8.3% for Slovakia.

The most significant relative y-o-y growth was recorded in exports to Italy (15.6%), Spain (9.5%) and the Netherlands (6.1%). Four from the thirteen above mentioned countries observed a decrease in exports in 2016 (the United States -6.1%), Slovakia (-4.8%), the Russian Federation (-4.6%) and Hungary (-1.0%). The rest nine mentioned states showed higher exports compared to 2015.

Graph 13 - The most important trade partners⁷, 2016

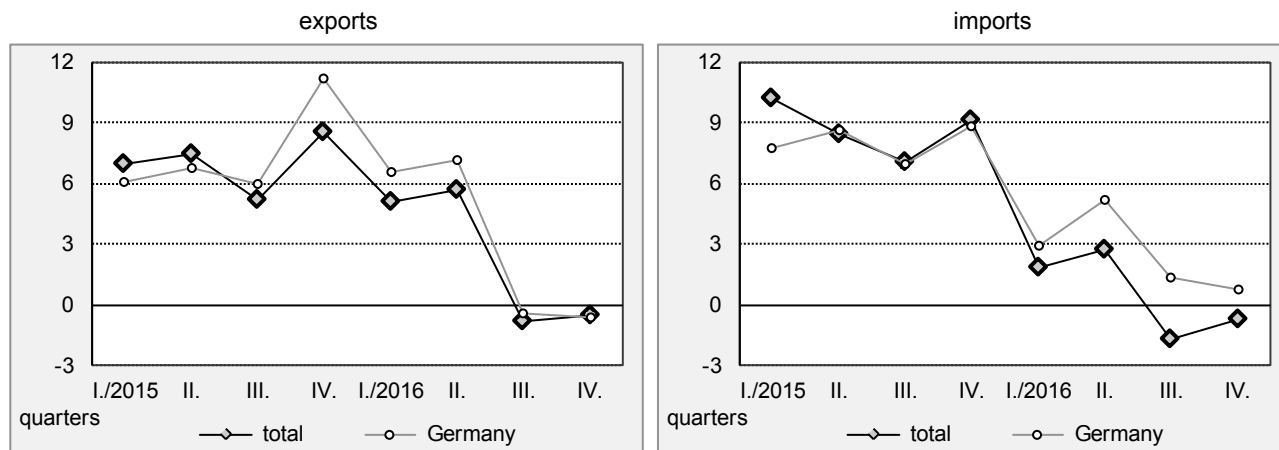


The **prevailing portion of imports** (more than three quarters) in 2016 **arrived from thirteen states**. The strongest position (a share of 26.4%) in total imports belonged to Germany with a value of imports y-o-y higher by CZK 22.6 bn. The positions of other twelve states in total imports oscillated from 2.3% for the United States to 12.4% for China.

Nine EU Member States and four non-EU countries were thirteen main import partners of the Czech Republic. Only six countries recorded an increase in imports to the Czech Republic; contrarily, from seven countries were imports lower (for instance from the Russian Federation, China and Slovakia).

Poland ranked on the third place with a value of imports of CZK 288.9 bn and a share of 8.3% in total imports. Further leading import partners from the EU Member States were Slovakia, Italy, France, Austria and the Netherlands.

Graph 14 - Year-on-year changes in external trade with Germany as percentage



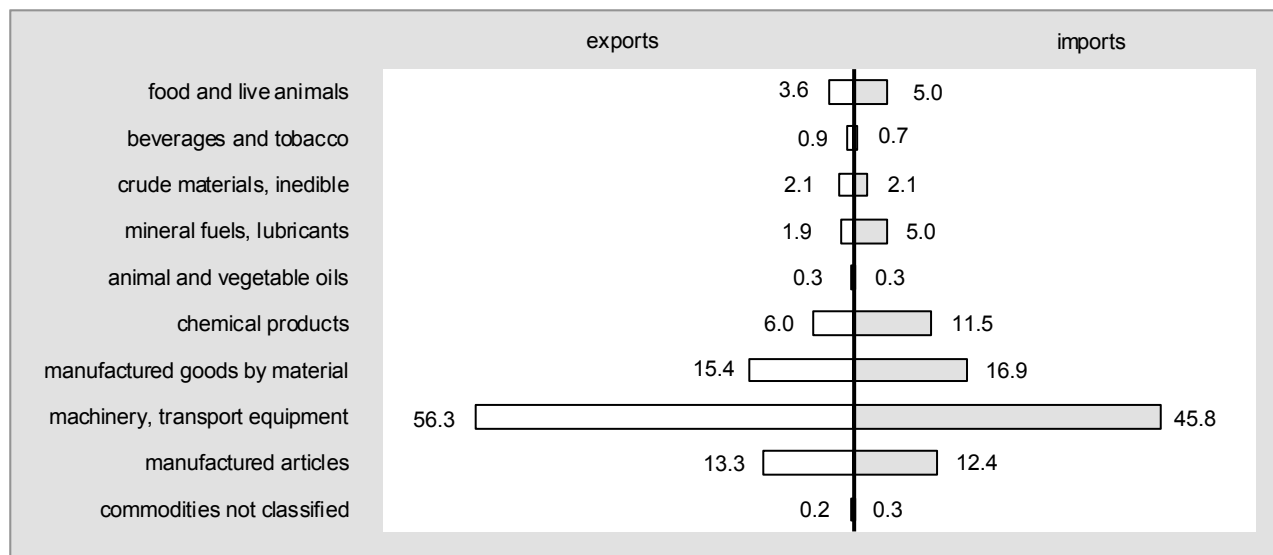
⁷ Austria (AT), Belgium (BE), China (CN), France (FR), Germany (DE), Hungary (HU), Italy (IT), the Netherlands (NL), Poland (PL), Russian Federation (RU), Slovakia (SK), South Korea (KR), Spain (ES), the United Kingdom (GB), the United States (US).

3. External trade structure by commodity

3.1. External trade by Sections of SITC

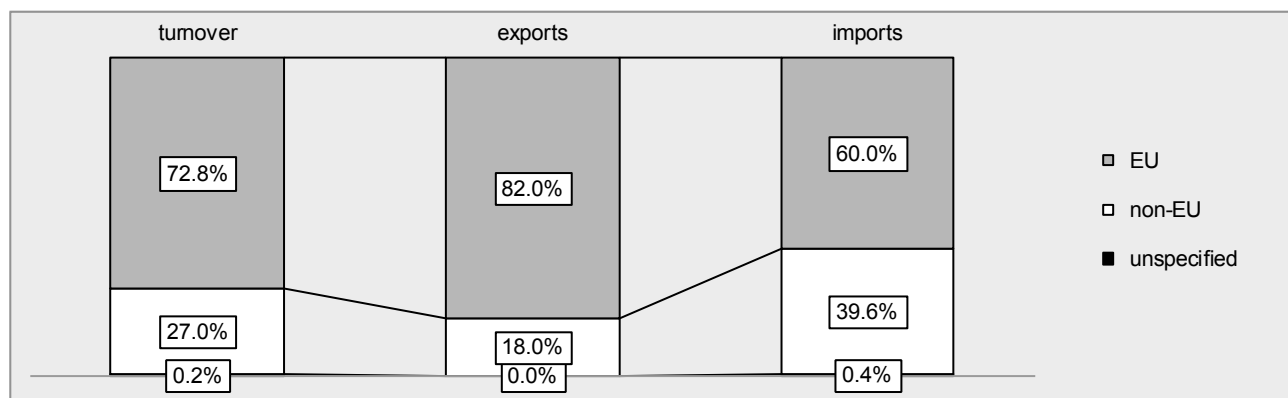
The external trade **structure by commodity** was accompanied with a y-o-y growth in exports and imports of majority of the Standard International Trade Classification⁸ sections.

Graph 15 - Commodity structure of external trade in 2016 (shares in %)



The highest y-o-y absolute increase was recorded in **exports of machinery and transport equipment** (by CZK 83.8 bn). Exports went mostly to the EU Member States (by CZK 71.9 bn higher, y-o-y), mainly to Germany, the United Kingdom, France, Slovakia and Poland. The Czech Republic exported primarily motor vehicles for the transport of persons, parts and accessories of the motor vehicles, automatic data processing machines, telephone apparatuses, air conditioning machines and pumps for liquids.

Graph 16 – Territorial structure of machinery and transport equipment in 2016 (shares in %)



The second highest increment (by CZK 50.8 bn) was recorded in **miscellaneous manufactured articles** exports (of which more than 85% went to the EU Member States, the most of that to Germany, Slovakia, Austria and France. Exports consisted mainly of toys, seats for motor vehicles and their parts and plastic products.

Compared to the previous year in 2016, higher absolute exports were also registered in beverages and tobacco (by CZK 2.9 bn) and animal and vegetable oils, fats and waxes (by CZK 1.2 bn). Exports of remaining sections of SITC were lower y-o-y.

⁸ The Standard international trade classification, (SITC) is a product classification of the United Nations (UN) used for external trade statistics, allowing for international comparisons of commodities and manufactured goods. SITC Revision 4 was accepted in 2006 and it is currently being implemented. It is composed of 10 sections, 67 divisions, 262 groups, 1 023 subgroups and 2970 basic headings (items).

A decrease in 2016 compared to a growth in 2015 was obvious in export of mineral fuels, lubricants and related materials (CZK -39.4 bn against CZK +17.7 bn in 2015) and manufactured goods classified chiefly by materials (CZK -1.3 bn against CZK +15.5 bn in 2015).

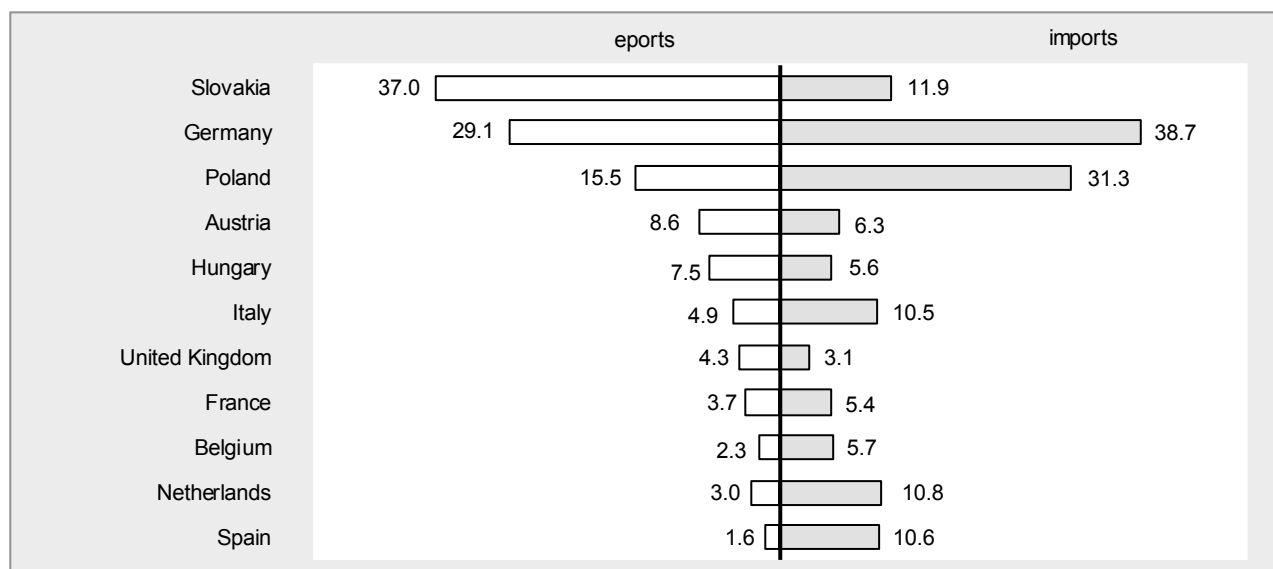
The highest y-o-y increase in imports was recorded in miscellaneous manufactured articles (by CZK 48.3 bn). In 2016, goods in value of CZK 527.1 bn was imported, of which seats for motor vehicles, plastics products, toys, media for recording, clothing and footwear accounted for the biggest part. Imports came mainly from Germany, China, Poland and Italy.

The second highest increase was noticed in imports of machinery and transport equipment (by CZK 12.7 bn). Despite much smaller y-o-y increment than in 2015 (CZK +205.1 bn), machinery and transport equipment with a share 45.8% of the total Czech imports belong among the most important commodities. Imports of these goods came mainly from Germany, China, Poland, Slovakia, South Korea and Italy.

Imports of manufactured goods classified chiefly by material fell by CZK 1.3 bn y-o-y. In 2016, manufactures of base metal, aluminium, paper and paperboard and iron or steel products were the most important imported goods in this section. The biggest part of imports came from Germany, Poland and Slovakia.

In 2016 compared to 2015, imports grew in chemicals and related products grew by CZK 9.3 bn and beverages and tobacco by CZK 1.9 bn.

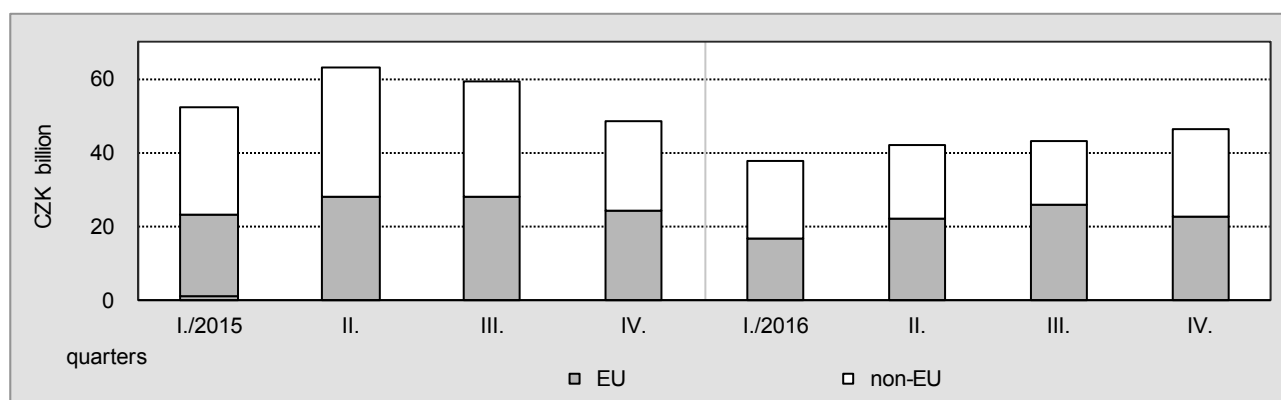
Graph 17 - External trade in food and live animals with selected countries in 2016 (in billion CZK)



A decrease in imports of mineral fuels, lubricants and related materials went deeper in 2016. It fell by CZK 53.1 bn (compared to a decrease of CZK 41.2 bn in 2015), of which mostly from the Russian Federation by CZK 19.2 bn, Germany by CZK 17.3 bn, Azerbaijan by CZK 14.0 bn. On the other hand, imports from Norway rose by CZK 2.6 bn.

The apportionment of individual commodity section of SITC in trade with the EU Member States is almost the same as the structure of total external trade. The only marked difference is seen in imports of mineral fuels which are largely determined by the supply of Russian gas and oil.

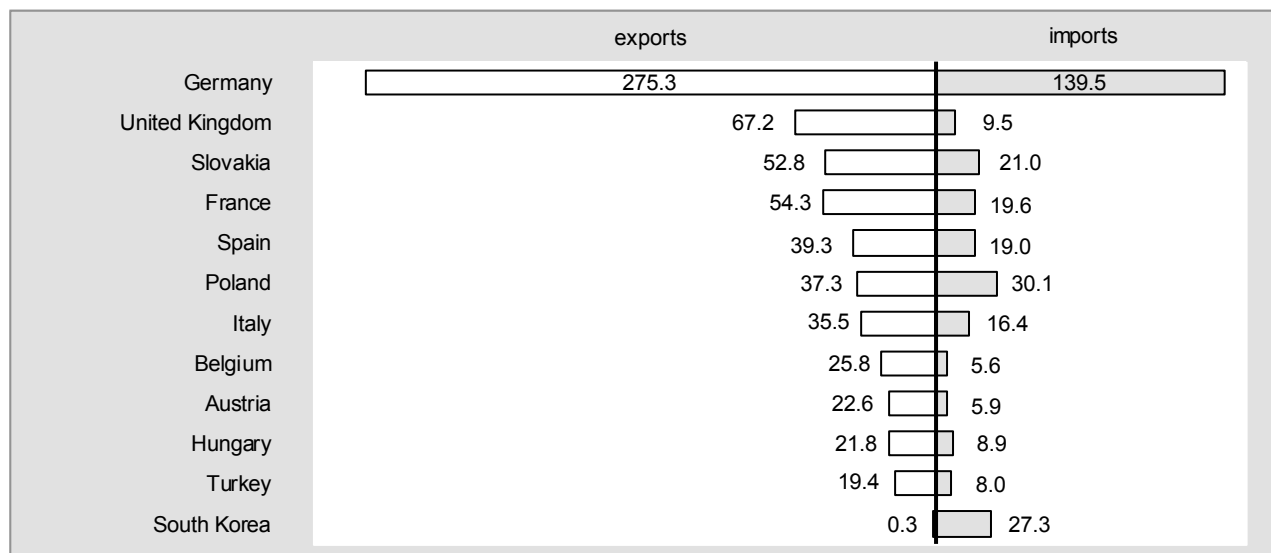
Graph 18 - Imports of mineral fuels from EU and non-EU



3.2. External trade in road vehicles (SITC 78)

Road vehicles (SITC 78)⁹, of which then predominantly **motor cars (SITC 781)** and **parts and accessories of the motor vehicles (SITC 784)** continued to be the **main item of exports of the Czech Republic in 2015**. Exports of road vehicles (CZK 833.7 bn) remained the highest of all SITC sections and was (by CZK 63.0 bn) higher, y-o-y. The prevailing part of exports (CZK 714.4 bn), higher by CZK 57.2 bn, y-o-y, came from the trade with EU Member States of which one third fell to trade with Germany.

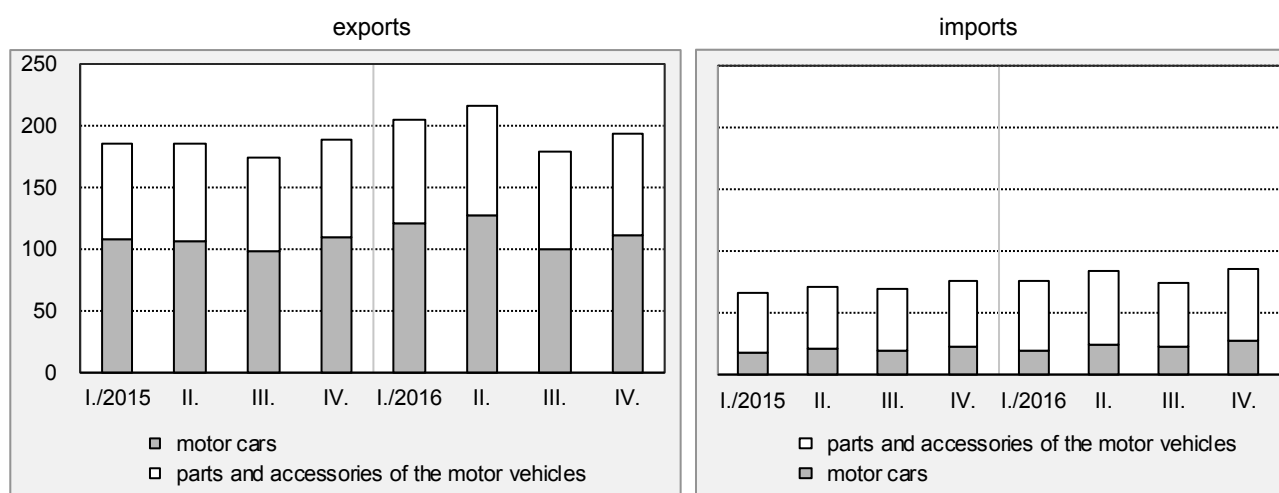
Graph 19 - External trade in road vehicles with selected countries in 2016 (in billion CZK)



Road vehicles contributed to the total exports by 21.0% (19.8% in 2015), of which shares of motor cars and parts and accessories of the motor vehicles were 11.5% (10.8% in 2015) and 8.4% (8.0% in 2015) respectively. Y-o-y, exports of motor cars rose by 9.2% and exports of motor cars and parts and accessories of the motor vehicles increased by 7.3%.

Exports of motor cars and parts and accessories of the motor vehicles grew in all individual quarters of 2016. The biggest exports of motor cars and parts and accessories of the motor vehicles were recorded in Q2. The same as in previous years the lowest value of exports was observed in Q3.

Graph 20 - External trade of motor cars and parts and accessories of the motor vehicles (in CZK billion)

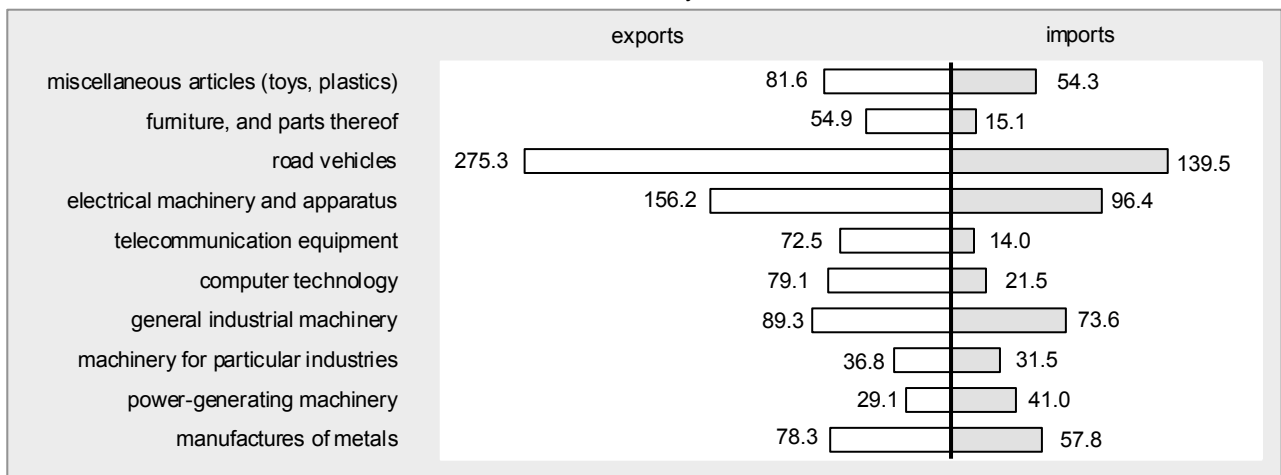


Road vehicles had significantly weaker impact on trend in total **imports** and imports of machinery and transport vehicles section than in total exports in 2016. Imports of road vehicles went up by 12.2% (CZK 40.9 bn), y-o-y. Imports of road vehicles participated in total imports by 10.8% and in machinery and transport equipment section by 23.5%.

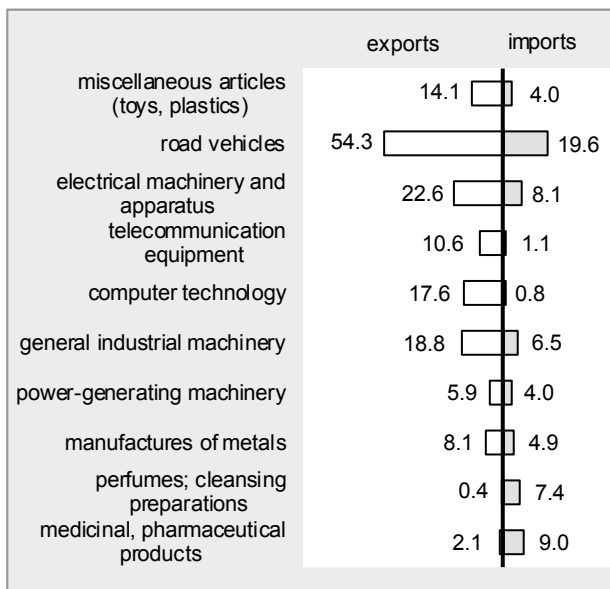
⁹ Division 78 - road vehicles consists of 6 groups (781 - motor cars and other motor vehicles, including station-wagons and racing cars; 782 - motor vehicles for the transport of goods and special purpose; 783 - road motor vehicles; 784 - parts and accessories of the motor vehicles of groups 722, 781, 782 and 783; 785 - motor cycles and cycles, invalid carriages; 786 - trailers and semi-trailers, other vehicles, not mechanically-propelled)

3.3. External trade of the Czech Republic with selected countries in 2016 (in billion CZK)

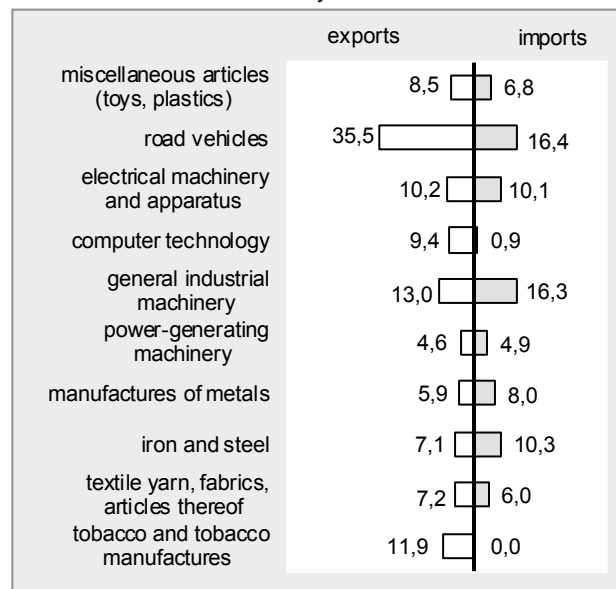
Germany



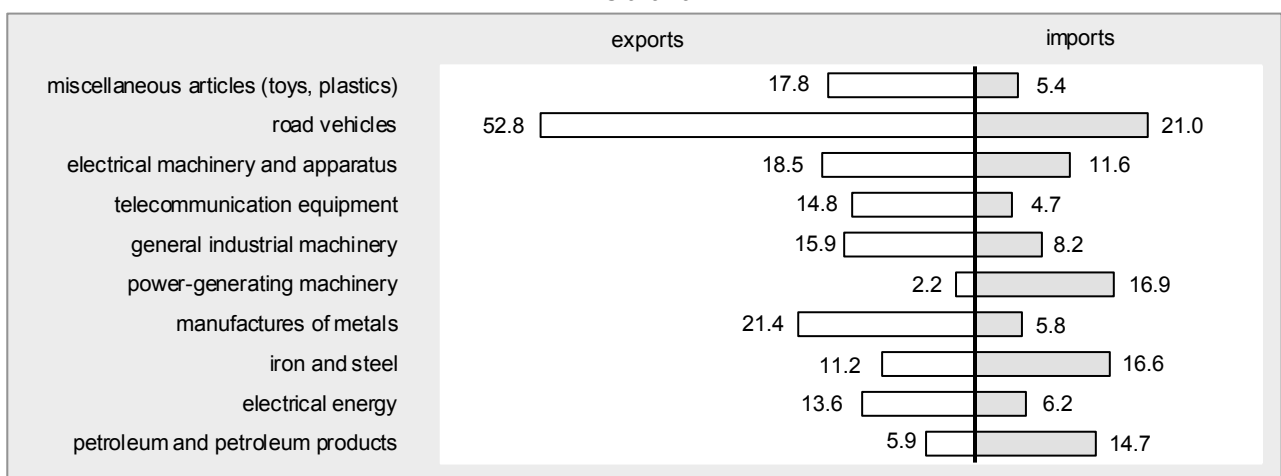
France



Italy

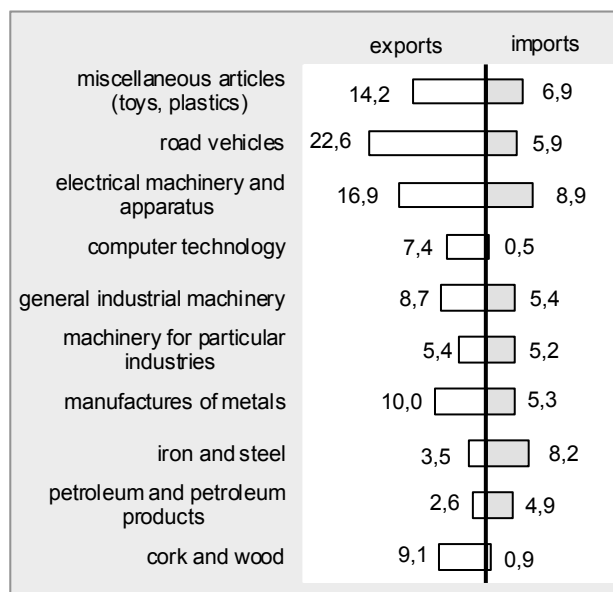


Slovakia

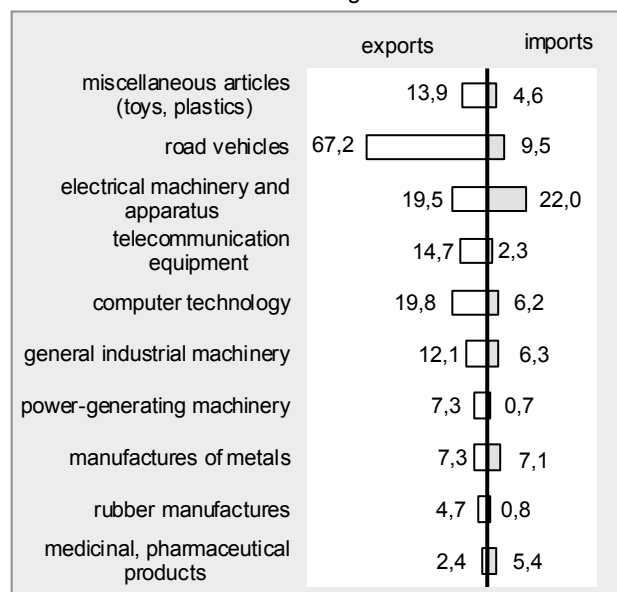


External trade of the Czech Republic with selected countries in 2016 (in CZK billion)

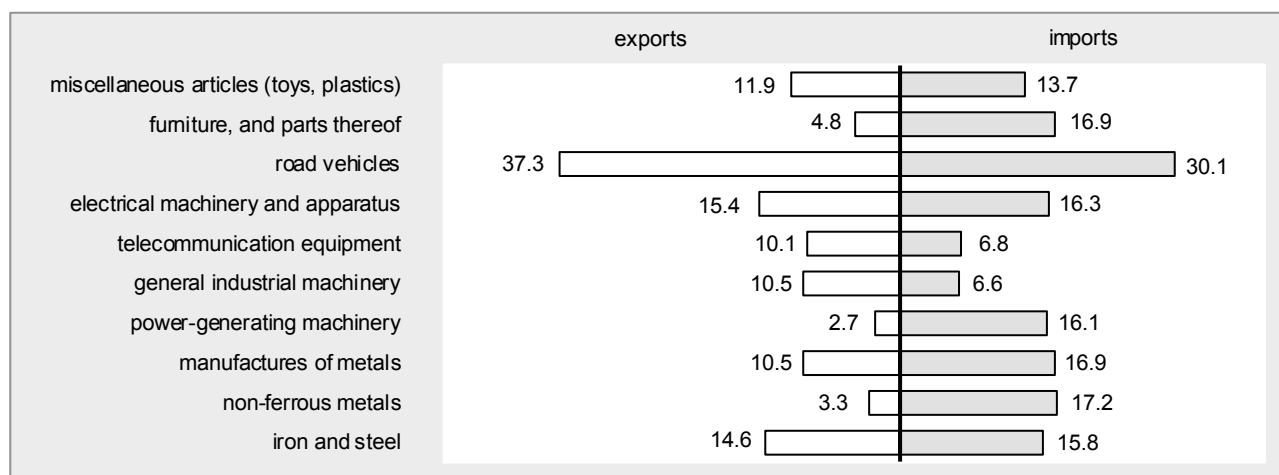
Austria



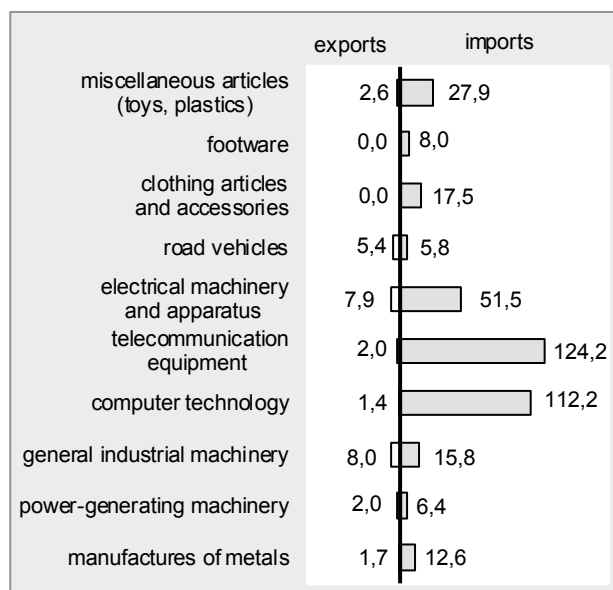
United Kingdom



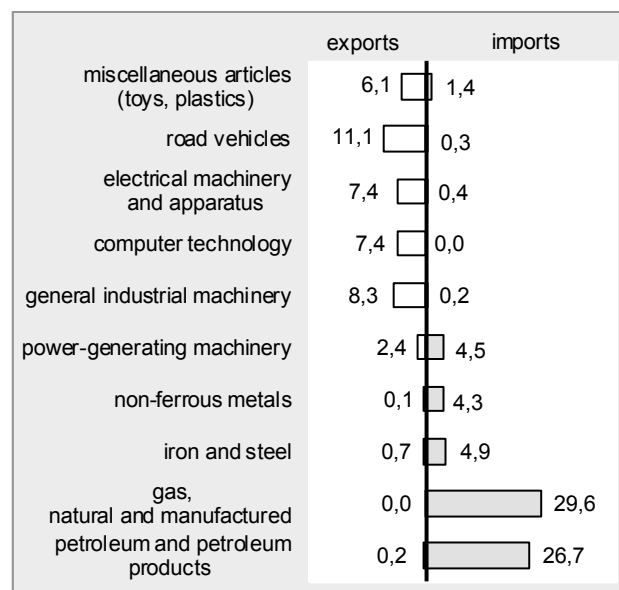
Poland



China



Russian Federation

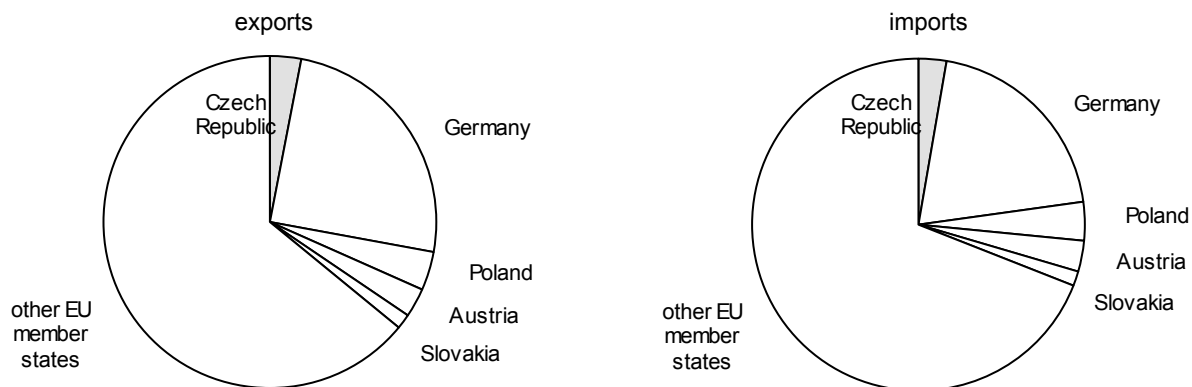


4. Eurostat data¹⁰

In 2016, the total exports of the EU Member States¹¹ in absolute numbers rose only by +0.3 bn EUR to 4 859.8 bn EUR after an increase by 4.8% (+222.9 bn EUR) in 2015. A low increase of trade within the EU states (intra-EU) by 1.5% (compared to 4.7% in 2015) and mainly a fall of the extra-EU exports by 2.6% (against a growth by 5.1% in 2015) were responsible for stagnation of the total EU's exports. Y-o-y, exports of nineteen Eurozone countries went up only by 0.8% in 2016 in comparison to an increase by 4.2% in previous year. In 2016, the largest share of the total EU's exports was taken by Germany (24.9%), followed by the Netherlands (10.6%), France (9.3%) and Italy (8.6%). The Czech Republic contributed to the total EU Member States exports by 3.0% which was by a 0.1 p.p. higher share than in 2015.

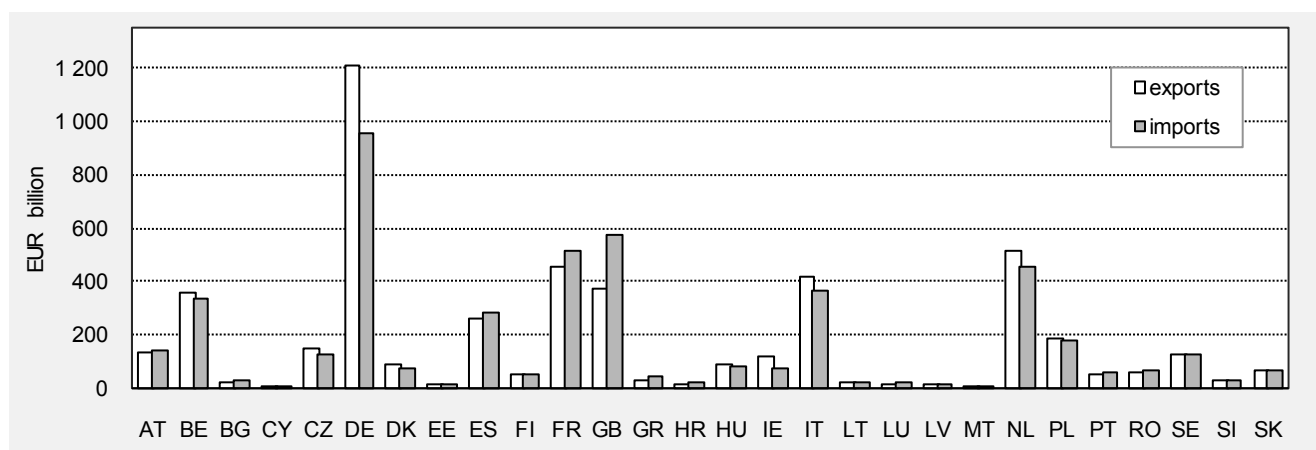
The rate of growth of the total EU's imports slowed down to 0.5% in 2016 after an increase by 3.9% in 2015. Imports grew to 4 748.7 bn EUR which were only by 25.3 bn EUR more than in the previous year. A growth of intra-EU imports slowed to 1.5% in comparison to an increase by 4.9% in 2015. Imports from non-EU countries to the EU Member States fell by 1.1% in 2016 compared to a growth by 2.2% in previous year. Imports to the Eurozone countries were also weaker showing an increase only by 0.1% compared to a growth by 2.9% in 2015. In 2016, Germany (20.1%), the United Kingdom (12.1%), France (10.9%), the Netherlands (9.6%) and Italy (7.7%) accounted for the largest part of the total EU's imports. A share of the Czech Republic in the total EU's imports remained the same as in 2015 (2.7%).

Graph 21 – Share of the Czech Republic and neighbouring states in external trade of the EU in 2016



Balance of the EU Member States ended in a surplus of EUR 111.1 bn which was by EUR 24.9 bn lower compared to 2015. A surplus of intra-EU trade rose by 1.6 bn EUR while a surplus of extra-EU trade fell by 26.5 bn EUR, yo-y. Germany (EUR 255.1 bn), the Netherlands (EUR 60.0 bn), Italy (EUR 51.5 bn) and Ireland (EUR 45.3 bn) recorded the highest surpluses of the all EU Member States. Deficit was observed in the trade balance of the United Kingdom (EUR 204.7 bn), France (EUR 64.8 bn), Spain (EUR 20.4 bn) and Greece (EUR 18.7 bn).

Graph 22 - EU28 external trade by country in 2016



¹⁰ Eurostat, the statistical office of the European Union, 15 August 2017

¹¹ European Union - EU (28 member states): Austria (AT), Belgium (BE), Bulgaria (BG), Croatia (HR), Cyprus (CY), the Czech Republic (CZ), Denmark (DK), Estonia (EE), Finland (FI), France (FR), Germany (DE), Greece (GR), Hungary (HU), Ireland (IE), Italy (IT), Latvia (LV), Lithuania (LT), Luxembourg (LU), Malta (MT), the Netherlands (NL), Poland (PL), Portugal (PT), Romania (RO), Slovakia (SK), Slovenia (SI), Spain (ES), Sweden (SE) and the United Kingdom (GB).