October 9, 2023

**The trade deficit narrowed year-on-year**

**International Trade in Goods (Change of Ownership) – August 2023**

According to preliminary data in current prices, the trade balance of goods in August 2023 ended in a deficit of CZK 3.8 bn, which was by CZK 25.4 bn lower, year−on−year (y−o−y).

The total balance of international trade1) in goods2) was **favourably influenced** mainly by a y−o−y smaller deficit in 'crude petroleum and natural gas' by CZK 17.2 bn due to the fall in world market prices. The trade surplus in 'machinery and equipment' rose by CZK 4.5 bn and the balance of trade in 'electrical equipment' increased by the same amount (as a deficit turned into a surplus).

The total trade balance was **affected** **negatively** mainly by a decline of the trade surplus in 'electricity' by CZK 10.6 bn. The trade deficits in 'computer, electronic and optical products' increased by CZK 2.1 bn; and a positive balance in 'other transport equipment' fell by CZK 1.1 bn.

In August 2023, the positive trade balance with **EU Member States** deteriorated by CZK 4.2 bn. The trade deficit with **non-EU** countries decreased by CZK 29.6 bn.

**Y-o-y** **exports** fell by 6.0% to CZK 333.6 bn and **y-o-y** **imports** decreased by 12.2% to CZK 337.4 bn. August 2023 had the same number of working days as August 2022.

*“The second holiday month was also marked by red values in* *international trade in goods (change of ownership) although the trade deficit narrowed. The balance of trade for August ended negative, imports decreased year-on-year and exports were lower as well. Exports were significantly affected by the fall in electricity prices, while imports were affected by the fall in oil and gas prices,”* says Stanislav Konvička from the Trade Balance Unit of the CZSO.

**Month-on-month,** the seasonally adjusted **exports** and **imports** fell by 0.5% and 1.7%, respectively.

From **January to August 2023,** the trade surplus reached CZK 65.2 bn, compared with a deficit of CZK 137.6 bn in the same period of the previous year. Since the beginning of the year, y−o−y exports have grown by 2.5% while imports have fallen by 4.4%.

Methodological note:

*From 2020 onwards, data for International trade in goods (change of ownership) are subject to recalculation using an updated method, based on a higher level of detail. See* [*Update of the compilation method – International trade in goods*](https://www.czso.cz/csu/czso/update-of-the-compilation-method-international-trade-in-goods-change-of-ownership) *(change of ownership).*

*In accordance with the methodology of Eurostat, selected data for exports and imports of military equipment and weapons for the current period are for safety reasons included in other goods codes and another territorial structure so that the macroeconomic aggregate of international trade in goods is not influenced.*

Notes:

*1)* *The* ***international trade balance*** *is the difference between exports from the Czech Republic and imports to the Czech Republic.*

*2) The* ***international trade in goods (change of ownership)*** *reflects export and import performance of the Czech economy, i.e. the international trade balance of the Czech Republic as well. It measures real trade in goods carried out between Czech entities and foreign ones, i.e. the change of ownership between residents and non-residents.*

*Data for companies, which are subject to the reporting duty and which failed to report data (non-response), has been imputed according to exports and imports these companies reported in the previous period. Data for companies exempted from the reporting duty were estimated on the basis of the data given in the VAT return forms. The data, which were not available from the VAT return forms, are estimated on the basis of the values for previous periods.*

***Data for respective months of 2023 is preliminary; data up to and including year 2022 is final.*** *When data for the reference month is published, six previous months are updated. All months with preliminary data are updated when data for January, March and July is published. Final data is published always in September of the following year.*

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*Method of data collection:* *Intrastat forms and single administrative documents and value added tax return forms*

*End of data collection:* *20th working day after the end of the reference month*

*Following data set:* [*https://www.czso.cz/csu/czso/vzonu\_cr*](https://www.czso.cz/csu/czso/vzonu_cr)

*Next News Release will be published on: November 6, 2023*

*Annex:*

*Chart 1 Balance of international trade in goods (total trade balance, trade balances with the EU Member States and non−EU countries*

**This press release was not edited for language.**