October 16, 2017

Decline of external trade prices slowed down, m-o-m

Export and import price indices – August 2017

In August 2017, export prices decreased by 0.1%, import prices declined 0.4%, the terms of trade figures reached 100.3%, month-on-month. Export prices dropped 1.2%, import prices declined 1.1%, the terms of trade reached 99.9%, year-on-year.

# Month-on-month comparison:

**Exports:** export prices fell 0.1% in August (-0.8% in July). The change of the total m-o-m export price index was led mainly by a 0.2% price decrease in ‘machinery and transport equipment’. Prices were falling in ‘mineral fuels, lubricants and related materials’ (-2.0%) and in ‘chemicals and related products’ (-0.6%). Prices of ‘manufactured goods classified chiefly by material’ and ‘crude materials, inedible, except fuels’ both grew 0.5%.

**Imports:** import prices decreased by 0.4% in August following a 1.1% decline in July.   
The change of the total m-o-m import price index was driven mainly by a 0.6% price drop   
in ‘machinery and transport equipment’. Prices in ‘crude materials, inedible, except fuels’ declined 3.9%, ‘food and live animals’ dropped 2.0% and another decrease was recorded   
in ‘chemicals and related products’ (-0.7%). Price growth was recorded in ‘manufactured goods classified chiefly by material’ (+0.6%) and ‘mineral fuels, lubricants and related materials’ (+0.5%).

The **terms of trade** stayed at the same value of 100.3% as in July. Significant positive values   
of terms of trade were reached by prices of ‘crude materials, inedible, except fuels’ (104.6%), ‘food and live animals’ (102.0%), and ‘machinery and transport equipment’ (100.4%). Negative values of terms of trade were reached in ‘mineral fuels, lubricants and related materials’ (97.5%) and ‘manufactured goods classified chiefly by material’ (99.9%).

# Year-on-year comparison:

**Exports:** mainly due to strengthening of koruna against euro and U.S. dollar export prices fell 1.2% (-1.2% in July). A 3.1% price decline in ‘machinery and transport equipment’ contributed to the decrease in overall y-o-y export price index. ‘Miscellaneous manufactured articles’ prices dropped 1.6% while ‘chemicals and related products’ prices decreased by 1.1%. Prices were rising in ‘mineral fuels, lubricants, and related products’ (+9.8%; mainly coal) and in ‘crude materials, inedible, except fuels’ (+7.7%).

**Imports:** import prices decreased by 1.1% after a 0.8% decline in July. The fall of the total annual import price index was primarily driven by a 4.4% drop in ‘machinery and transport equipment’. Prices also fell in ‘miscellaneous manufactured articles’ (-3.3%) and in ‘chemicals and related products’ (-1.2%). Biggest price growth was reported in ‘crude materials, inedible, except fuels’ (+4.6%), ‘mineral fuels, lubricants, and related products’ (+4.5%), and ‘manufactured goods classified chiefly by material’ (+3.8%).

The **terms of trade** figures increased to the value of 99.9% (99.6% in June) staying in negative values for the eleventh consecutive month. Only ‘manufactured goods classified chiefly by material’ reached negative values of terms of trade – 97.3%. Positive values of the terms   
of trade were reached by prices of ‘mineral fuels, lubricants, and related products’ (105.1%), ‘miscellaneous manufactured articles’ (101.8%), and ‘machinery and transport equipment‘ (101.4%).

**Revision of external trade price indices**

Revision of external trade price indices is now under way by Czech Statistical Office. Upon completion from January 2018, export and import price indices will be calculated using new weighting scheme based upon External trade statistics data from year 2015 and national concept data while implementing new price base - year 2015 average = 100. These new technical indices will replace the old technical indices (hitherto calculated to the base year 2010 = 100). Existent time series (2005 avg. = 100) will be recalculated to the new base (2015 avg. = 100) and subsequently chained by technical indices starting in December 2017. New indices with base year 2015 avg. = 100 will be linked to the new time series thus enabling continuation of current time series. All derived indices will be calculated using time series of base year 2015 avg. = 100. Publishing of price indices with base year 2005 avg. = 100 will be terminated   
in December 2017. Hitherto published indices will not be revised.

January 2018 data will be released on March 29 2018 within the scope of Catalogue   
of Products.

Notes:

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Method of data collection: Selective survey of the CZSO

End of data collection: 16th calendar day after the reference month

Related publications: 013014-17 Import and Export Price Indices in the Czech Republic <https://www.czso.cz/csu/czso/export-and-import-price-indices>

Specific methodical notes: The data released are final.

Next News Release: 16 November 2017

*Not edited for language*

Annexes:

Table 1 Export and Import Price Indices

Table 2 Export and Import Price Indices

(breakdown of indices – published and exchange rate adjusted – month-on-month, year-on-year)

Chart 1 Export and Import Price Indices (year-on-year changes)