

COMMENTARY

Trend in January 2009

A. Export and import price indices for goods

Month-on-month comparison:

- **Exports:** export prices increased by 2.3% in January, especially due to weakening of the Czech crown to Euro and Dollar. The growth of the total m-o-m export price index came mainly from a 2.9% price increase in 'machinery and transport equipment'. Among sections important in terms of weight, price growths were recorded in 'manufactured goods classified chiefly by materials' (+2.1%). By contrast, the most significant price drops were recorded in 'chemicals' (-2.9%).
- **Imports:** Import prices increased this time by 1.6%. The growth of the total m-o-m import price index was driven mainly by a 2.7% increase in prices of 'machinery and transport equipment'. The price increase was also recorded for 'miscellaneous manufactured articles' (+2.6%). Lower were only prices in 'chemicals' (-0.5%) and 'crude materials, inedible, except fuels' (-0.3%).
- The **terms of trade** figures reached 100.7% in January (102.3% in December). The highest positive terms of trade figures were recorded for 'mineral fuels, lubricants and related materials' (102.8%) and 'crude materials, inedible, except fuels' (102.6%). The terms of trade figures of 'machinery and transport equipment' reached 100.2%. By contrast, the lowest values among important sections were recorded for 'food and live animals' (99.9%) and for 'chemicals' (97.6%).

Year-on-year comparison:

- **Exports:** export prices increased by 3.3% in January (1.2% in December). The biggest price increases were registered in 'manufactured goods classified chiefly by materials' by 8.8%. Among important sections higher were prices in 'miscellaneous manufactured articles' by 4.3% and 'machinery and transport equipment' by 4.1%. By contrast, more marked price drops were recorded for 'crude materials, inedible, except fuels' (-17.5%) and 'food and live animals' (-11.7%).
- **Imports:** after seventeen successive months in negative values import prices increased in January to reach 100.0% (97.8% in December). The growth of the total y-o-y import price index was mainly affected by a 2.1% price increase in 'machinery and transport equipment'. Among sections important in terms of weight, the biggest price growths were recorded in 'crude materials, inedible, except fuels' (+17.5%) and 'miscellaneous manufactured articles' (+5.5%). By contrast, price decreases were observed in 'mineral fuels, lubricants and related materials' (-16.8%) and 'chemicals' (-3.0%).
- The **terms of trade** figures reached 103.3% in January (103.5% in December). Higher values of the terms of trade figures were recorded for 'mineral fuels, lubricants and related materials' (123.8%) and 'manufactured goods classified chiefly by materials' (107.5%). The terms of trade figures of 'machinery and transport equipment' stood at 102.0%. By contrast, negative values were recorded for 'crude materials, inedible, except fuels' (70.2%) and 'food and live animals' (84.3%).

B. Price indices for international transport and banking services

Month-on-month comparison:

- Prices of *international passenger rail transport* for the Czech Republic (assets) increased by 41.4%, in the direction from the Czech Republic (liabilities) by 12.4 % and prices of transit by 41.3%.
- Price index of *international freight rail transport* (only for the Czech Republic) increased in import direction by 2.2 %, in export direction by 7.0 % and in transit by 5.4 %.
- Prices of *international passenger air transport* increased in the direction to the Czech Republic by 0.2 % and in the direction from the Czech Republic the prices did not change. Index of *freight air transport* decreased in the direction to the Czech Republic by 2.9 % and in the direction from the Czech Republic it did not change.
- Prices of *external banking services* remained unchanged.

Year-on-year comparison:

- Prices of *international passenger rail transport* for the Czech Republic (assets) increased by 33.6 %, in the direction from the Czech Republic (liabilities) by 6.2 % and prices of transit by 33.5 %.
- Price index of *international freight rail transport* (only for the Czech Republic) increased in import direction by 5.7 % and in transit by 4.7 %. In export direction price index decreased by 0.4 %.
- Prices of *international passenger air transport* increased in the direction to the Czech Republic by 3.2 % and by 6.0 % in the direction from the Czech Republic. Prices of *freight air transport* decreased in the direction to the Czech Republic by 3.9 % and in the direction from the Czech Republic they were 1.3 % up.
- Prices of *external banking services* were higher in total by 0.7 % in year-on-year comparison. Prices of cash payments and documentary collections did not change. An increase by 5.8% was reported only for prices of documentary letter of credits.