4. External Relations

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| Value of export rose year-on-year in both quarters of year 2019. |  | Value of export of goods increased by 63.0 CZK bn (3.5%) to 1 878.4 bn[[1]](#footnote-1) year-on-year in H1 2019. Export dynamics was even in individual quarters. While the export increased by 3.5% (31.8 CZK bn) year-on-year in Q1, Q2 did not fall much behind with 3.4% (31.3 bn). Value of export was 948.5 CZK bn in Q2 and was thus the highest reached for this period in the time series since year 2005. |
| Export outside the European Union featured stronger dynamics in H1. |  | Value of export of goods into the EU increased by 3.5% and by 4.7% outside of the EU year-on-year in H1. The dynamics was changing during the individual quarters – growth of export into the Union weakened to 2.6% in Q2 and export outside the EU on the contrary sharply accelerated to 8.0%. Year-on-year dynamics of export to Germany remained on moderate level in the first half of the year (2.4% in both Q1 and 2). However, Q2 was the one weaker for other EU countries. It was valid for Poland (slowdown from 3.1% to 0.8%), Slovakia (from 10.8% to 4.8%), Austria (from 6.0% to 2.0%) or France (from 9.4% to 1.1%). On the contrary, export to Hungary accelerated (to 9.4%) in Q2. Export to Belgium featured a year-on-year decrease (by 6.9% and 1.6% in individual quarters). Growth detected towards the end of the last year and at the beginning of this year for export to Great Britain did not hold and export fell by 7.8% in Q2. Acceleration of year-on-year dynamics of export outside the Union was partially due to the comparative basis of the last year´s Q2. Nevertheless, the value of export to Russia (11.4%), United States (17.6%) and Switzerland (8.1%) grew relatively strong in Q2. |
| Export of motor vehicles revived in Q2. |  | Increase of the value of export of motor vehicles (+17.5 CZK bn, 3.4%) and also computers, electronic and optical products (+10.2 bn, 5.8%) supported the solid growth of export in H1. Increase of value of export of other transport equipment (+5.0 bn, 19.1%) and chemicals and chemical products (+4.4 bn, 5.3%) was also stronger. Export of two significant items – machinery and equipment (+5.1 bn, 2.5%) and electrical equipment (+2.2 bn, 1.4%) then featured a relatively weak dynamics. Growth of export of motor vehicles gained pace to 5.4% in Q2 itself and on the contrary the value of mentioned items tied to the manufacture of motor vehicles – machinery and equipment (0.2%), electrical products (0.5%) and also rubber and plastic products (0.9%) stagnated. |
| Import growth in contrast slowed in Q2. Import from the EU stagnated. |  | Year-on-year dynamics of import of goods stepped on the brakes compared to H2 2018. Value of import increased by 45.4 CZK bn (2.6%) in total to 1 769.8 bn in H1 2019. The deceleration however took place mostly in Q2 of the year. Value of import rose by 8.3 CZK bn (0.9%) year-on-year to 890.1 bn in this time period. Import grew nearly exclusively from countries outside the EU in H1 (7.6%), on the contrary only by 0.3% more was imported into the CR from the EU than in the same period of the last year. In Q2, the value of import from the EU even slumped by 1.2% year-on-year. It was caused mainly by the sinking import from Germany by 2.7%, slump of the import from Slovakia also deepened to 10.7% in Q2. Strong decline continued also in case of Great Britain (‑9.9%). Among the destinations outside the EU, import increased especially from China (similarly by 9.0%) in both quarters of 2019. Import from South Korea (–9.0%), United States (–7.4%) and Russia (–20.2%, caused by the stopped supplies of oil due to its pollution) featured relatively strong decline year-on-year in Q2. |
| Import of motor vehicles increased only negligibly. |  | Value of import of motor vehicles grew only slowly in H1 (+5.4 CZK bn, 1.9%). Value of imported computers, electronic and optical products (+8.1 bn, 4.5%) attained the largest addition. Oil and natural gas recorded import increase of 6.9 CZK bn (12.0%). Import of chemicals and chemical products (4.9 bn, 3.5%), machinery and equipment (5.6 bn, 3.3%) and electrical appliances (2.8 CZK bn, 2.2%) slightly grew. However similarly to the export side, import of machinery and equipment (0.5%) as well as electrical products (0.4%) stagnated in Q2 itself. Value fell for imports of basic metals (–3.8 CZK bn, 2.6%) and coke and refined oil products (–4.2 bn, 12.4%) in H1. |
| The surplus of the balance of trade with goods expanded in H1, especially due to trade with the EU. |  | Moderation of the import growth was also apparent in the resulting balance of trade with goods, which summed 108.6 CZK bn in H1 and rose by 17.7 bn year-on-year. Described increase however concerns only Q2. Positive balance increased then by 23.0 CZK bn to 58.4 bn. Series of surplus declines lasting five quarters was thus interrupted. From the territorial perspective the massive increase of surplus with the EU countries by 46.5 CZK bn is mostly of interest. In the opposite direction, the already negative balance with countries outside the Union worsened by 27.1 bn. The surplus of trade with Germany (by 15.4 CZK bn in H1, in that by 13.4 bn in Q2) and with Slovakia (by 18.7 bn in H1, in that by 9.1 bn in Q2) rose thanks to the decreased import described above. Deficit with China (–14.4 CZK bn for the whole half-year) and with Turkey (–7.5 bn) markedly deepened. |
| Sale of motor vehicles recorded the largest surplus growth. |  | Sale of motor vehicles (in total +12.1 CZK bn, in that +8.2 bn in Q2), other transport equipment (+8.4 bn, +8.0 bn in Q2), coke and refined oil products (+5.2 bn, +4.8 bn in Q2), basic metals (2.1 bn) and electricity, gas, steam and air conditioning supply (+4.0 bn) mostly contributed to the surplus growth in H1. Trade with oil and natural gas (-7.6 CZK bn) on the contrary mostly more markedly worked in the direction of the deficit. |
|  |  | **Chart 9 Balance of foreign trade\* in foreign trade statistics** (accumulation of the first half-year, in CZK bn, selected divisions of the CZ-CPA classification) |
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| Source: CZSO \*in national conception |
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1. Statistical data of the foreign trade in the national conception in the nominal terms including only the trade with goods. The value of exports is captured in the FOB prices, i.e. including the costs connected with the transport to the CR boundaries. Import depicted lower in this chapter is in CIF prices, i.e. including costs associated with the transportation abroad, up all the way to the CR boundaries. Data valid as of 6th September 2019. [↑](#footnote-ref-1)