

Short commentary

External trade - November 2009

According to preliminary data, seasonally adjusted exports and imports rose by 1.1% and 3.0% respectively, **compared with October 2009**. The development trend in exports showed a growth by 0.5%, while the trade component in imports remained on the October 2009 level.

Compared with November 2008, exports at current prices stagnated after twelve month of decline; imports at current prices decreased by 8.0%. The results were influenced by a low comparative basis of November 2008 when (compared to November 2007) external trade turnover fell by 15.4% (to CZK 390.9 bn) of which exports and imports dropped by 17.9% and 12.8%, respectively. In November 2009 external trade turnover decreased by CZK 15.7 bn (to CZK 375.2 bn); but compared to the remaining months of 2009 it has achieved the highest value. Depreciation of the *koruna* against euro resulted in a fall of external trade in euros (exports –2.5%, imports –10.3%) whereas appreciation of the *koruna* against US dollars implied an increase of exports and imports by +14.2% and +5.1%, respectively. November 2009 had one working day more than November 2008.

The trade balance showed a surplus of CZK 14.5 bn. Compared to November 2008 when the balance showed a deficit of CZK 1.1 bn, it is an improvement by CZK 15.6 bn, and, concurrently, the second biggest year-on-year positive change of trade balance in the Czech Republic history. The trade balance improvement was observed in all SITC sections with the exception of 'beverages and tobacco' (deficit down by CZK 0.1 bn). Trade in 'machinery and transport equipment' (surplus up by CZK 5.0 bn) showed the most significant improvement. Further improvement (by CZK 3.5 bn) came from 'miscellaneous manufactured articles' (as deficit turned into a surplus) and from 'crude materials, inedible, except fuels' (by CZK 2.3 bn). Deficit shrank in trade in 'mineral fuels, lubricants and related materials' (by CZK 2.5 bn), 'chemicals and related products' (by CZK 0.6 bn), 'food and live animals' (by CZK 0.2 bn); and surplus in 'manufactured goods classified chiefly by material' rose by CZK 1.3 bn.

In 'machinery and transport equipment', exports and imports were down by 2.4% (CZK –2.5 bn) and 9.0% and (CZK –7.5 bn). Drops in exports and imports occurred mainly in 'telecommunications and sound-recording equipment' (by CZK –3.9 bn and –5.6 bn respectively) and in 'office machines, automatic data-processing machines' (by CZK –2.2 bn and –2.1 bn respectively). Exports of 'road vehicles' increased by CZK 6.5 bn (imports were down by CZK 0.3 bn) and contributed substantially to an improvement of the total balance of this SITC section. A significant growth of CZK 3.4 bn was recorded in 'electrical machinery, apparatus and appliances'. A drop in imports of 'mineral fuels, lubricants and related materials' by 18.5% (CZK –3.7 bn) was mainly due to lower imports of crude petroleum (–44.4% in value, –26.0% in volume). Imports of natural gas dropped by 4.8% in value and rose by 93.6% in volume.

The trade balance with EU member states was active by CZK 47.1 bn (surplus up by CZK 8.4 bn compared with November 2008) and the trade balance with non-EU countries was passive by CZK 32.6 bn (deficit improved by CZK 7.2 bn year-on-year). Trade gap narrowed in trade with China (by CZK 3.8 bn), the Russian Federation (by CZK 1.8 bn) and Norway (by CZK 1.5 bn). Surplus was up in trade with France (by CZK 2.0 bn), the United Kingdom (by CZK 1.8 bn), Spain (by CZK 1.7 bn), Slovakia (by CZK 1.3 bn) and Germany (by CZK 1.0 bn). Balance improved in trade with Hungary (by CZK 1.9 bn) as deficit turned into a surplus. On the other hand, balance deteriorated in trade with Poland (by CZK 2.1 bn as surplus changed into a deficit) and the Netherlands (surplus down by CZK 1.2 bn).

In the **twelve months to November 2009**, compared with the previous twelve months, exports and imports were down by 15.1% and 18.3% respectively. The trade balance reached a surplus of CZK 141.3 bn, which was by CZK 67.8 bn higher. A long-term balance results were favourably influenced by decreases of deficit in 'mineral fuels lubricants and related materials' (by CZK –52.0 bn) and 'chemicals and related products' (by CZK –12.5 bn); and surplus increases in 'manufactured goods classified chiefly by material' (by CZK 20.1 bn), 'crude materials, inedible, except fuels' (by CZK 9.9 bn), 'beverages and tobacco' (by CZK 0.3 bn). Balance was negatively affected by surplus decreases in 'machinery and transport equipment' (by CZK 23.0 bn) and 'miscellaneous manufactured articles' (by CZK 1.4 bn) and a growth of trade deficit in 'food and live animals' (by CZK 1.8 bn) and 'animal and vegetable oils, fats and waxes' (by CZK 1.3 bn).

Trade surplus with EU member states was down by CZK 4.5 bn and trade gap with non-EU countries was by CZK 72.3 bn lower. Surplus rose with Germany (by CZK 50.4 bn); deficit decreased in trade with the Russian Federation (by CZK 26.3 bn), China (by CZK 22.5) Japan (by CZK 16.7) and Azerbaijan (by CZK 11.7 bn). On the other hand, surplus fell in trade with Poland (by CZK 18.4 bn), Romania (by CZK 11.4 bn), Sweden (by CZK 7.9 bn), Belgium (by CZK 6.4 bn) and Slovakia (by CZK 2.8 bn). Deficit deteriorated in trade with Norway (by CZK 4.0 bn).

In **January-November 2009** exports and imports fell by 15.4% and 19.2%, respectively. The trade surplus stood at CZK 150.4 billion and grew by CZK 74.1 billion in comparison with January-November 2008.

According to the CZSO's sources, the data were reported by 97.7% of firms (goods dispatched) and 97.4% of firms (goods arrived) among the companies obliged to report to the Intrastat system.

Data for companies exempted from the reporting duty according to amended Decree No 201/2005 Coll. and for companies that failed to report have been imputed. The imputation methods are based on data that the companies reported in the previous period and data from the VAT returns.