

## Short commentary

### External trade - May 2009

According to preliminary data, seasonally adjusted exports fell by 2.9% and imports by 1.0%, **compared with May 2009**. The development trend shows decreasing exports (-1.3%) and imports (-1.1%).

**Compared with May 2008**, exports and imports at current prices were down by 21.2% (CZK -44.3 bn) and 23.2% (CZK -46.3 bn), respectively. In value, May imports were the lowest since January 2006; exports were the lowest since January 2009. May 2009 had one working day less than May 2008. Due to depreciation of the *koruna* against the two major currencies, external trade decreased faster in euros (exports -26.0%, imports -27.9%) and even more in US dollars (exports -35.1%, imports -36.7%).

The trade balance surplus of CZK 11.7 bn was by CZK 2.0 bn more, compared with May 2008. Decreases of deficit in 'mineral fuels, lubricants and related materials' and 'chemicals and related products' of CZK 7.3 bn and 2.0 bn respectively, contributed most to the y-o-y improvement of the balance. Surplus rose in trade with 'crude materials, inedible, except fuels' by CZK 1.2 bn and in 'manufactured goods classified chiefly by material' by CZK 0.4 bn. On the other hand, a fall in surplus in 'machinery and transport equipment' (by CZK 7.5 bn) and 'miscellaneous manufactured articles' (by CZK 1.2 bn) affected negatively the external trade balance. Balance of trade in 'food and live animals' and 'beverages and tobacco' remained roughly at the level of May 2008.

'Machinery and transport equipment' showed decreases in exports by 22.2% (CZK -25.1 bn) and imports by 21.6% (CZK -17.6 bn). The biggest export and import declines were observed in 'electrical machinery, apparatus and appliances' (CZK -5.2 bn and CZK -2.9 bn, respectively), 'road vehicles' (CZK -4.6 bn and CZK -4.9 bn, respectively), 'general industrial machinery and equipment' (CZK -4.8 bn and CZK -2.7 bn, respectively) and 'telecommunications and sound-recording equipment' (CZK -4.7 bn and CZK -4.0 bn). Exports and mainly imports increased only in 'other transport equipment' (by CZK +0.3 bn and CZK +1.9 bn). Imports of 'mineral fuels, lubricants and related materials' fell by 41.5% (CZK -9.0 bn) owing to lower imports of crude petroleum (by 50.6% in value and by 19.7% in volume) and natural gas (by 43.9% in value and 45.8% in volume).

The trade balance with EU member states was active by CZK 36.2 bn (surplus down by CZK 9.8 bn compared with April 2008) and the trade balance with non-EU countries was passive by CZK 24.5 bn (deficit down by 11.8 bn). Deficit dropped in trade with the Russian Federation by CZK 4.9 bn, China by CZK 2.3 bn, Azerbaijan (by CZK 1.8 bn), Japan (by CZK 1.6 bn) and Kazakhstan (by CZK 0.6 bn). Surplus rose in trade with Germany (by CZK 1.0 bn) and Hungary (by CZK 0.7 bn); on the other hand, it went down in trade with Poland (by CZK 2.2 bn), France (by CZK 1.6 bn), Slovakia (by CZK 1.4 bn), Sweden and Italy (both by CZK 0.9 bn), Spain (by CZK 0.7 bn), the Netherlands and the United Kingdom (both by CZK 0.6 bn).

In the **twelve months to May 2009**, compared with the previous twelve months, exports and imports were down by 11.9% and 11.7%, respectively. The trade balance reached a surplus of CZK 76.3 bn, which was down by CZK 14.2 bn. Decreases in surplus in 'machinery and transport equipment' (by CZK 30.5 bn), and 'miscellaneous manufactured articles' (by CZK 15.4 bn) and increases in deficit in 'food and live animals' (by CZK 3.1 bn), deficit in 'mineral fuels, lubricants and related materials' (by CZK 3.0 bn) and 'animal and vegetable oils, fats and waxes' (by CZK 1.4 bn) affected trade balance unfavourably. On the other hand, positive development was recorded in 'manufactured goods classified chiefly by material' (surplus up by CZK 20.4 bn), 'chemicals and related products' (deficit down by CZK 16.2 bn), 'beverages and tobacco' (surplus up by CZK 1.5 bn) and 'crude materials, inedible, except fuels' (surplus by CZK 1.0 bn).

Trade surplus with EU member states rose by CZK 9.5 bn and trade gap with non-EU countries was by CZK 23.7 bn higher. Surplus increased with Germany (by CZK 56.3 bn), the Netherlands (by CZK 11.9 bn), Austria and Finland (both by CZK 2.3 bn). Trade deficit decreased with Japan (by CZK 8.8 bn) and Taiwan (by CZK 5.1 bn); and balance improved in trade with Turkey (by CZK 2.0 bn) as deficit turned into a surplus. Surplus decreased in trade with Spain (by CZK 11.9 bn), Italy (by CZK 9.8 bn), Belgium (by CZK by 8.2 bn), Romania (by CZK 7.7 bn), the United Kingdom (by CZK 5.9 bn), Sweden (by CZK 4.6 bn), Poland (by CZK 4.5 bn) and Slovakia (by CZK 3.8 bn). Trade gap deepened with China (by CZK 10.6 bn) and the Russian Federation (by CZK 4.6 bn).

In **January-May 2009** exports and imports declined by 20.1% and 21.9% respectively. The trade surplus reached CZK 59.0 billion and grew by CZK 8.9 billion in comparison with January-May 2008.

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According to the CZSO's sources, the data were reported by 97.8% of firms (goods dispatched) and 98.1% 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 Sb. 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.