

Commentary

External trade – February 2010

According to preliminary data, seasonally adjusted exports and imports fell by 1.8% and 0.9% respectively, **compared with January 2010**. The development trend shows increasing exports (+1.5%) and imports (+1.3%).

Compared with February 2009, exports and imports at current prices rose by 11.0% (CZK +14.4 bn) and 7.9% (+CZK 12.4 bn) respectively. Exports have been growing for the fourth successive month; imports have been growing since January 2010. Due to appreciation of CZK against EUR and especially against USD, external trade grew faster in EUR (exports +21.6%, imports +18.2%) and in USD (exports +30.2%, imports +26.5%) than in CZK. February 2010 had the same number of days as February 2009.

The balance of trade showed a surplus of CZK 15.3 bn, which was by CZK 6.0 bn more year on year. February trade balances have been always in the black since 2004; February 2010 surplus was the highest among them. A growth of CZK 2.4 bn of surplus in 'machinery and transport equipment' and an improvement (owing to deficit turning into a surplus) of CZK 2.4 bn in trade in 'miscellaneous manufactured articles' contributed mainly to the rise in total trade surplus. Surplus went up in trade in 'crude materials, inedible, except fuels' and 'beverages and tobacco' by CZK 1.0 bn and CZK 0.4 bn respectively; deficit in trade in 'mineral fuels, lubricants and related materials' narrowed by CZK 1.1 bn. Shrinking surplus in trade in 'manufactured goods classified chiefly by material' by CZK 1.3 bn and growing deficit in trade 'food and live animals' by CZK 0.3 bn had a reverse effect on the total trade balance. Trade gap in 'chemicals and related products' (CZK 7.3 bn) remained on the February 2009 level.

Exports and imports in 'machinery and transport equipment' were up by 13.6% (CZK +12.0 bn) and 15.8% (CZK +9.6 bn) year-on-year respectively. Increases in exports and imports were recorded mainly in road vehicles (CZK +7.2 bn and CZK +1.9 bn respectively), office machines and automatic data-processing machines (CZK +3.7 bn and CZK +3.1 bn respectively) and electrical machinery, apparatus and appliances (CZK +3.1 bn and CZK +2.7 bn respectively). A growth of surplus in road vehicles (CZK +5.3 bn) showed the biggest contribution to the machinery and transport equipment balance. Mineral fuels imports fell by 3.2% (CZK -0.6 bn) mainly due to falling imports of natural gas (-25.7 % in value). Imports of natural gas in volume grew by 15.3%. Imports of crude petroleum went up by 42.9%, while it fell by 1.6% in volume.

The trade balance with EU member states was active by CZK 46.4 bn (surplus up by CZK 8.5 bn compared with February 2009) and the trade balance with non-EU countries was passive by CZK 31.1 bn (deficit grew by CZK 2.5 bn year-on-year). Surplus rose in trade with Italy (by CZK 2.5 bn), Slovakia (by CZK 2.0 bn), the United Kingdom (by CZK 1.2 bn), Spain (by CZK 1.1 bn) and France (by CZK 0.9 bn). Deficit decreased in trade with China (by CZK 0.2 bn). Balance deteriorated in trade with the United States (by CZK 2.4 bn) as surplus turned into a deficit; surplus fell in trade with Germany (by CZK 1.2 bn) and deficit widened in trade with Russia (by CZK 0.3 bn).

In the **twelve months to February 2010**, compared with the previous twelve months, exports and imports were down by 8.6% and 13.6% respectively. The trade balance yielded a surplus of CZK 168.0 bn, which was by CZK 111.5 bn higher. Balance improved mainly in trade in 'mineral fuels, lubricants and related materials' as deficit dropped by CZK 58.5 bn. Surplus went up in trade in 'machinery and transport equipment' (by CZK 12.8 bn), 'manufactured goods classified chiefly by material' (by CZK 12.7 bn), 'crude materials, inedible, except fuels' (by CZK 11.6 bn) and 'miscellaneous manufactured articles' (by CZK 8.8 bn); deficit decreased in trade in 'chemicals and related products' (by CZK 9.8 bn). Unfavourable results were reported in trade in 'food and live animals' (deficit up by CZK 2.6 bn), 'beverages and tobacco' (surplus down by CZK 0.4 bn) and 'animal and vegetable oils, fats and waxes' (deficit up by CZK 0.3 bn).

Trade surplus with EU member states rose by CZK 8.7 bn and trade gap with non-EU countries was by CZK 102.8 bn lower. Surplus went up with Germany (by CZK 33.1 bn), France (by CZK 8.8 bn), the United Kingdom (by CZK 6.3 bn) and Italy (by CZK 5.1 bn). Deficit narrowed in trade with Russia by CZK 34.5 bn, Japan (by CZK 17.9 bn), China (by CZK 16.6 bn) and Azerbaijan (by CZK 10.8 bn). Balance deteriorated in trade with Poland (by CZK 19.7 bn) as surplus turned into a deficit; surplus dropped in trade with Romania (by CZK 7.6 bn), Slovakia (by CZK 6.9 bn) and the Netherlands (by CZK 6.5 bn).

In **January-February 2009**, exports and imports rose by 10.0% and 5.2% respectively. The trade surplus amounting to CZK 29.7 billion was up by CZK 16.4 billion year-on-year.

According to the CZSO's sources, the data were reported by 94.3% of firms (goods dispatched) and 91.1% 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 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.