

COMMENTARY

Trend in October 2009

A. Export and import price indices

Month-on-month comparison:

- **Exports:** export prices increased by 1.5% (-1.0% in September), especially due to the weakening of the Czech crown to Euro. The growth of the total m-o-m export price index came mainly from a 1.3% price growth in 'machinery and transport equipment'. The biggest price growth was recorded in 'mineral fuels, lubricants and related materials' (+6.8%). The prices of 'crude materials, inedible, except fuels' increased by 1.9%, prices in 'miscellaneous manufactured articles' increased by 1.5% and prices of 'manufactured goods classified chiefly by material' by 1.3%. The price drop was recorded only in 'food and live animals' (-1.0%).
- **Imports:** import prices grew by 1.5% (-1.3% in September). Increase of the total m-o-m import price index was driven mainly by a 1.3% growth in prices of 'machinery and transport equipment'. The prices of 'mineral fuels, lubricants and related materials' increased by 4.3% and prices of 'chemicals and related products' grew by 1.2%. The price drop was registered only in 'animal and vegetable oils, fats and waxes' (1.3%) and 'beverages and tobacco' (-0.6%).
- The **terms of trade** figures stood at 100.0% (100.3% in September). Among sections important in terms of weight positive values were recorded 'mineral fuels, lubricants and related materials' (102.4%), 'crude materials, inedible, except fuels' (100.9%) and 'miscellaneous manufactured articles' (100.7%). The terms of trade figures of 'machinery and transport equipment' stood at 100.0%. Negative terms of trade figures were only registered in 'food and live animals' (97.5%) and 'chemicals and related products' (99.4%).

Year-on-year comparison:

- **Exports:** export prices decreased for the third month in a row, this time by 3.2% (-4.3% in September). Change of the total y-o-y export price index was mainly affected by a 9.5% price drop in 'manufactured goods classified chiefly by material'. More marked price decreases were recorded in 'mineral fuels, lubricants and related materials' (-13.9%), 'chemicals and related products' (-10.6%) and 'food and live animals' (7.7%). Price growths were reported only for 'miscellaneous manufactured articles' (+1.7%) and 'machinery and transport equipment' (+1.1%).
- **Imports:** import prices slowed down their fall to decrease by 8.1%, (-9.3% in September). The change of the total y-o-y import price index came mainly from a 31.7% price drop in 'mineral fuels, lubricants and related materials'. Among important sections price drops were recorded in 'crude materials, inedible, except fuels' (-22.1%), 'chemicals and related products' (-7.1%) and 'manufactured goods classified chiefly by material' (-6.5%). No price increase was reported for any group.
- The **terms of trade** figures reached 105.3% in October (105.5% in September). Among sections important in terms of weight, higher values of the terms of trade figures were recorded for 'mineral fuels, lubricants and related materials' (126.1%), 'crude materials, inedible, except fuels' (123.2%), 'machinery and transport equipment' (102.8%) and 'miscellaneous manufactured articles' (102.4%). By contrast, negative values were registered in 'chemicals and related products' (96.2%) and 'manufactured goods classified chiefly by materials' (96.8%).

B. Price indices for international transport and banking services

Month-on-month comparison:

- Prices of *international passenger rail transport* for the Czech Republic (assets), in the direction from the Czech Republic (liabilities) and prices of transit increased identically by 0.7 %.
- Price index of *international freight rail transport* (only for the Czech Republic) decreased in import direction by 1.1 % and in export direction by 0.6 %. In transit price index went up by 0.6 %.
- Prices of *international passenger air transport* decreased in the direction to the Czech Republic by 0.3 % and in the direction from the Czech Republic they increased by 0.7 %. Index of *freight air transport* decreased in the direction to the Czech Republic by 3.0 % 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* increased for the Czech Republic (assets) by 35.2 %, in the direction from the Czech Republic (liabilities) by 7.5 % and prices of transit by 35.1 %.
- Price index of *international freight rail transport* (only for the Czech Republic) increased in export direction by 5.6 % and in transit by 3.0 %. In import direction price index decreased by 3.2 %.
- Prices of *international passenger air transport* increased in the direction to the Czech Republic by 4.4 % and in the direction from the Czech Republic they went down by 0.2 %. Price index of *freight air transport* decreased by 1.3 % in the direction to the Czech Republic and by 2.4 % in the direction from the Czech Republic.
- Prices of *external banking services* did not change in year-on-year comparison.