

## COMMENTARY

### Trend in July 2010

#### Month-on-month comparison:

- **Exports:** export prices decreased by 1.6% in July (growth by 1.0% in June). The fall of the total m-o-m export price index came mainly from a 2.4% price decrease in 'machinery and transport equipment'. Among important sections the price drops were recorded for prices of 'chemicals and related products' by 2.5%, 'miscellaneous manufactured articles' and 'manufactured goods classified chiefly by materials' both by 1.3%. The biggest price growth was registered in 'mineral fuels, lubricants and related materials' by 1.8%
- **Imports:** import prices went down by 1.4% (growth by 1.1% in June). Decrease of the total m-o-m import price index was driven mainly by a 4.6% fall in prices of 'mineral fuels, lubricants and related materials' and by a 1.6% drop in 'machinery and transport equipment'. The prices of 'miscellaneous manufactured articles' decreased by 1.5%, 'chemicals and related products' and 'manufactured goods classified chiefly by materials' went down both by 0.7%. Among important sections growth was registered only in 'crude materials, inedible, except fuels' by 6.2%.
- The **terms of trade** figures slightly decreased at 99.8% (99.9% in June) and for the ninth successive month they remained in negative values. More significant negative values of the terms of trade figures were recorded for 'crude materials, inedible, except fuels' (94.0%), 'chemicals and related products' (98.2%), 'machinery and transport equipment' (99.2%) and 'manufactured goods classified chiefly by materials' (99.4%). On the contrary, among important section positive values of the terms of trade figures were registered in 'mineral fuels, lubricants and related materials' (106.7%), 'food and live animals' (101.9%) and 'miscellaneous manufactured articles' (100.2%).

#### Year-on-year comparison:

- **Exports:** export prices increased for third successive month, this time by 2.7% (2.0% in June). The growth of the total y-o-y export price index was mainly affected by a 33.4% price increase in 'crude materials, inedible, except fuels' and by a 3.9% rise in 'manufactured goods classified chiefly by material'. More marked price increases were recorded in 'mineral fuels, lubricants and related materials' by 17.3%, 'chemicals and related products' by 9.6% and 'food and live animals' by 3.2%. Price drop was reported only for 'machinery and transport equipment' by 0.8%.
- **Imports:** import prices increased by 5.9% (4.9% in June). The increase was supported also weakening of the koruna against dollar. The growth of the total y-o-y import price index came mainly from a 28.4% price increase in 'mineral fuels, lubricants and related materials'. Price increases were also recorded in 'crude materials, inedible, except fuels' by 19.5%, 'manufactured goods classified chiefly by material' by 5.1%, 'chemicals and related products' by 2.9%, 'food and live animals' by 2.8% and 'machinery and transport equipment' by 2.4%. Price drop was observed only in 'beverages and tobacco' by 2.5%.
- The **terms of trade** figures slightly decreased at 97.0% (97.2% in June) and for the eight month they remained in negative values. The lowest values of the terms of trade figures recorded 'mineral fuels, lubricants and related materials' (91.4%), 'machinery and transport equipment' (96.9%) and 'manufactured goods classified chiefly by material' (98.9%). Among sections important in terms of weight, positive values of the terms of trade figures reached 'crude materials, inedible, except fuels' (111.6%), 'chemicals and related products' (106.5%) and 'food and live animals' (100.4%).