

External trade in October 2008

According to preliminary data, seasonally adjusted exports fell by 2.2% and imports by 4.1%, **month-on-month**. The trend component shows decreasing exports (-0.5%) and increasing imports (+0.3%).

Year-on-year, exports and imports at current prices were down by 10.7% and 5.9% respectively, i.e. the biggest exports decrease since February 1999 and imports decrease since August 2008. External trade turnover amounting to CZK 438.8 billion was the second highest (after April) in this year. The turnover was by CZK 40.1 billion lower year-on-year owing to the high comparative basis of October 2007 when the highest monthly turnover of the year 2007 was recorded (CZK 478.9 billion). Due to appreciation of the *koruna* against the both main currencies external trade in US dollars fell (exports -7.6%, imports -2.7%), and in euros exports decreased (-1.5%) and imports grew (+3.7%).

The trade balance ended in a deficit of CZK 4.0 billion, which was by CZK 12.1 billion worse result in comparison to October 2007 and the biggest negative year-on-year balance change since 1994. Except for the years 2005–2007, October trade balance was always in the red. The trade balance with EU member states was active by CZK 42.8 billion and with non-EU countries passive by CZK 46.8 billion.

The main contributors to the trade deficit were 'mineral fuels, lubricants and related materials' (deficit up by CZK 8.3 billion) and 'machinery and transport equipment' (surplus down by CZK 4.1 billion). Surplus in 'miscellaneous manufactured articles' was down by CZK 1.4 billion and deficit in 'crude materials, inedible, except fuels' was up by CZK 0.2 billion; trade deficit in 'food and live animals' was up by CZK 0.7 billion. Trade balance improved in 'chemicals and related products' (deficit down by CZK 1.5 billion), 'manufactured goods classified chiefly by material' (improvement by CZK 1.0 billion due to deficit turning into a surplus) and 'beverages and tobacco' (deficit down by CZK 0.4 billion).

Total exports of 'machinery and transport equipment' fell by 14.8% (CZK -19.8 billion). The highest exports decreases were recorded in 'road vehicles' (CZK -8.7 billion), 'electrical machinery, apparatus and appliances' (CZK -2.8 billion) and 'general industrial machinery and equipment' (CZK -2.2 billion). Total imports of 'machinery and transport equipment' decreased by 14.7% (CZK -15.6 billion); the highest imports decreases were registered in 'road vehicles' (CZK -3.4 billion), 'electrical machinery, apparatus and appliances' (CZK -3.1 billion) and 'telecommunications and sound-recording equipment' (CZK -2.8 billion). The trade balance of 'machinery and transport equipment' was most unfavourably affected by a drop in surplus in 'road vehicles' by CZK 5.3 billion. Imports of 'mineral fuels, lubricants and related materials' grew by 60.5% (CZK +9.2 billion) mainly due to higher imports of crude petroleum (+212.5% in value, +153.9% in volume). Imports of natural gas increased by 42.2% in value and dropped by 8.0% in volume. Exports of 'mineral fuels, lubricants and related materials' rose by 15.1% (CZK +1.0 billion).

By group of countries, trade surplus with EU member states grew by CZK 2.8 billion and trade deficit with non-EU countries increased by CZK 14.9 billion. Trade surplus grew with Germany (by CZK 3.3 billion), Slovakia, Spain, France and Sweden (all by CZK 0.4 billion). Trade balance improved by CZK 1.7 billion with the Netherlands as deficit turned into a surplus and trade deficit decreased with Malaysia (by CZK 0.9 billion), Azerbaijan (by CZK 0.7 billion) and the United States (by CZK 0.4 billion). Trade deficit rose with the Russian Federation (by CZK 7.2 billion, China (by CZK 2.2 billion) and Korea (by CZK 0.5 billion). Trade balance deteriorated with Norway (by CZK 2.5 billion) and Italy (by CZK 1.7 billion) as deficit turned into a surplus. Trade surplus decreased with Belgium (by CZK 1.0 billion).

In the **twelve months to October 2008**, compared with the previous twelve months, exports and imports grew by 3.5% and 3.1% respectively. The trade balance reached a surplus of CZK 91.4 billion, which was by CZK 11.9 billion more. Trade balance improved in 'machinery and transport equipment' (surplus up by CZK 41.0 billion), 'manufactured goods classified chiefly by material' (surplus up by CZK 10.1 billion), 'food and live animals' (deficit down by CZK 4.6 billion) and 'beverages and tobacco' (improvement by CZK 3.1 billion). Trade balance deteriorated due to increasing deficit in 'mineral fuels, lubricants and related materials' (by CZK 38.4 billion) and 'chemicals and related products' (by CZK 1.7 billion); trade surplus fell in 'miscellaneous manufactured articles' (by CZK 5.9 billion) and 'crude materials, inedible, except fuels' (by CZK 0.7 billion).

By group of countries, trade surplus with EU member states rose by CZK 93.4 billion and trade deficit with non-EU countries increased by CZK 81.5 billion. Trade balance improved with the Netherlands (by CZK 21.5 billion) where the deficit turned into a surplus. Surplus rose in trade with Germany (by CZK 20.8 billion), France (by CZK 11.2 billion), Poland and Slovakia (both by CZK 9.1 billion), Romania (by CZK 6.9 billion) and Italy (by CZK 5.9 billion). Trade deficit grew with China (by CZK 27.9 billion), the Russian Federation (by CZK 21.8 billion), Japan (by CZK 9.9 billion), Korea (by CZK 5.7 billion), Thailand (by CZK 5.0 billion), Kazakhstan (by CZK 4.9 billion) and the United States (by CZK 4.1 billion). Trade surplus fell with Spain (by CZK 3.5 billion).

In **January–October 2008** both exports and imports grew by 2.4%. The trade surplus of CZK 81.7 billion was by CZK 3.5 billion higher, year-on-year.

The CZSO has carried out the regular quarterly update. According to the updated figures, the trade balance surplus grew by CZK 1.4 billion to CZK 34.3 billion in **the first quarter of 2008**, decreased by CZK 1.3 billion to CZK 31.3 billion in **the second quarter of 2008** and fell by CZK 1.7 billion to CZK 20.0 billion in **the third quarter of 2008**. As a result, the trade balance surplus fell by CZK 1.6 billion to CZK 85.6 billion in **the 1st–3rd quarters of 2008**.

According to the note of the Directorate General of Customs, data were received from 95.0 % of the companies obliged to report to the Intrastat system.

Data on companies exempted from the reporting duty (those whose annual value of trade with the EU member states was below CZK 4 million for goods dispatched and below CZK 2 million for goods received) and data on companies that failed to report were imputed. The imputation methods are based on data that the companies supplied in the previous period and on data from tax returns.