

External trade in July 2008

According to preliminary data, seasonally adjusted exports decreased by 0.8% and imports increased by 1.6%, **month-on-month**. The trend component shows decreasing exports (-0.5%) and increasing imports (+0.1%).

Year-on-year, exports at current prices were up by CZK 3.2%, imports down by CZK 0.9%. External trade turnover amounting to CZK 400.9 billion was the lowest from the beginning of the year. Due to appreciation of the *koruna* against the euro and even more against the US dollar, external trade grew faster in euros (exports +24.2%, imports +19.3%) and US dollars (exports +42.7%, imports +37.1%) than in *korunas*.

The trade balance reached a surplus of CZK 7.2 billion, which is by CZK 8.1 billion better result year-on-year (July 2008 was by three working days longer than July 2007); and the first July trade surplus in the history of independent Czech Republic. The trade balance with EU member states was active by CZK 40.1 billion and with non-EU countries passive by CZK 32.9 billion. Trade balance developed favourably in 'machinery and transport equipment' where surplus grew by CZK 7.2 billion. Improvements of CZK 2.1 billion and CZK 1.4 billion were observed in 'manufactured goods classified chiefly by material' and 'crude materials, inedible, except fuels' respectively where the deficit turned into a surplus, and a CZK 0.3 billion decrease in deficit was recorded in 'chemicals and related products'. On the other hand, trade deficit rose in 'mineral fuels, lubricants and related materials' by CZK 2.8 billion and surplus fell in 'miscellaneous manufactured articles' by CZK 0.5 billion. The trade balance in 'food and live animals' and 'beverages and tobacco' remained at the level of July 2007.

Total exports of 'machinery and transport equipment' rose by 3.8% (CZK +3.9 billion); the highest increases were recorded in 'telecommunications and sound-recording equipment' (CZK +3.2 billion), 'office machines, automatic data-processing machines' (CZK +1.4 billion) and 'electrical machinery, apparatus and appliances' (CZK +0.9 billion). Exports of 'road vehicles' dropped by CZK 2.4 billion. Total imports of 'machinery and transport equipment' fell by 4.1% (CZK -3.3 billion); the highest decreases were registered in 'electrical machinery, apparatus and appliances' (CZK -1.6 billion), 'general industrial machinery and equipment' (CZK -1.2 billion), 'telecommunications and sound-recording equipment' (CZK -0.8 billion) and 'road vehicles' (CZK -0.4 billion). Imports of 'mineral fuels, lubricants and related materials' grew by 27.0% (CZK +4.6 billion) due to higher imports of natural gas (+36.3% in value, +3.5% in volume) and crude petroleum (+33.8% in value, +0.8% in volume). Exports of 'mineral fuels, lubricants and related materials' rose by 30.9% (CZK +1.8 billion).

By group of countries, trade surplus with EU member states grew by CZK 11.2 billion and trade deficit with non-EU countries increased by CZK 3.1 billion. Trade balance improved with the Netherlands (by CZK 3.8 billion) where the deficit turned into a surplus. Trade surplus grew with Germany (by CZK 3.0 billion), Poland and Ukraine (both by CZK 1.3 billion), France (by CZK 0.9 billion) and Slovakia (by CZK 0.6 billion). Trade deficit rose with China (by CZK 2.1 billion), Japan (by CZK 1.2 billion), Azerbaijan (by CZK 0.9 billion) and the Russian Federation (by CZK 0.2 billion). Trade surplus fell with Spain (by CZK 1.1 billion), and trade balance deteriorated with the United States (by CZK 1.0 billion) where the surplus turned into a deficit.

In the **twelve months to July 2008**, compared with the previous twelve months, exports and imports grew by 8.4% and 7.1% respectively. The trade balance reached a surplus of CZK 104.2 billion, which was by CZK 36.3 billion more.

The trade balance improved as a result of growing surplus in 'machinery and transport equipment' (by CZK 53.0 billion), 'manufactured goods classified chiefly by material' (by CZK 4.0 billion), 'crude materials, inedible, except fuels' (by CZK 2.6 billion), 'beverages and tobacco' (by CZK 1.1 billion) and 'miscellaneous manufactured articles' (by CZK 0.5 billion). Trade deficit decreased in 'food and live animals' (by CZK 5.1 billion) and 'animal and vegetable oils, fats and waxes' (by CZK 0.3 billion). Trade balance deteriorated due to increasing deficit in 'mineral fuels, lubricants and related materials' (by CZK 21.1 billion) and 'chemicals and related products' (by CZK 9.1 billion).

By group of countries, trade surplus with EU member states rose by CZK 89.6 billion and trade deficit with non-EU countries increased by CZK 53.3 billion. Trade balance improved with the Netherlands (by CZK 20.4 billion) where the deficit turned into a surplus. Surplus rose in trade with France (by CZK 15.6 billion), Slovakia (by CZK 9.4 billion), Italy (by CZK 8.4 billion), Poland (by CZK 7.9 billion), Romania (by CZK 7.2 billion), the United Kingdom (by CZK 7.0 billion) and Germany (by CZK 5.8 billion). The deficit in trade with the Russian Federation dropped (by CZK 0.8 billion). On the other hand, trade deficit grew with China (by CZK 40.6 billion), Japan (by CZK 15.6 billion), Korea (by CZK 6.0 billion), Thailand (by CZK 5.8 billion), Kazakhstan and Ireland (both by CZK 3.7 billion) and the United States (by CZK 3.3 billion). Trade surplus fell with Hungary (by CZK 5.2 billion).

In **January–July 2008** exports and imports grew by 5.6% and 4.7% respectively. The trade balance surplus of CZK 72.8 billion was by CZK 16.3 billion higher, year-on-year.

The CZSO has carried out the regular quarterly update. The final data say that the trade balance for the **year 2007** reached a surplus of CZK 87.9 billion (correction CZK +0.8 billion). According to the updated data, trade balance surplus for **the first quarter of 2008** remained unchanged at CZK 33.0 billion and for **the second quarter of 2008** was CZK 32.6 billion (correction CZK +1.2 billion).

According to the note of the Directorate General of Customs, data were received from 95.1 % 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.