

## Commentary

### External trade - March 2010

According to preliminary data, seasonally adjusted exports and imports grew by 5.2% and 4.3% respectively, **compared with February 2010**. The development trend shows increasing exports (+1.8%) and imports (+1.7%).

**Year-on-year**, exports and imports at current prices rose by 12.7% (CZK +24.7 bn) and 15.8% (CZK +27.4 bn) respectively. Exports have been growing for the fifth successive month; imports have been showing increases since January 2010. In March 2010, external trade turnover reached the highest value (CZK 420.8 bn) since October 2008 and approximated to the highest March turnover in the Czech Republic history (CZK 421.8 bn) in 2007. Due to appreciation of CZK against EUR and especially against USD, external trade grew faster in EUR (exports +20.1%, imports +23.4%) and in USD (exports +25.0%, imports +28.5%) than in CZK. March 2010 had one working day more than March 2009.

The balance of trade ended in a surplus of CZK 18.3 bn, which was by CZK 2.7 bn less in comparison to March 2009, when the highest surplus (CZK 21.0 bn) in the Czech Republic history was recorded. Deterioration was seen in trade in 'manufactured goods classified chiefly by material' (surplus down by CZK 3.8 bn); deficit was up in trade in 'mineral fuels, lubricants and related materials' (by CZK 2.6 bn), 'food and live animals' (by CZK 0.9 bn) and 'chemicals and related products' (by CZK 0.3 bn). On the other hand, as result of growing surplus, the balance improved in 'miscellaneous manufactured articles' (by CZK 2.5 bn), 'machinery and transport equipment' (by CZK 0.9 bn) and crude materials, inedible, except fuels' (by CZK 1.1 bn) and 'beverages and tobacco' (by CZK 0.1 bn).

Total 'machinery and transport equipment' exports went up by 13.1% (CZK 13.7 bn), of which road vehicles (CZK +5.3 bn) registered the largest increase followed by electrical machinery, apparatus and appliances (CZK +4.6 bn) and office machines and automatic data-processing machines (CZK +2.6 bn). Total 'machinery and transport equipment' imports grew by 17.8% (CZK 12.8 bn). Increases were recorded mainly in imports of office machines and automatic data-processing machines (CZK +4.7), electrical machinery, apparatus and appliances (CZK +4.4 bn) and road vehicles (CZK +2.4 bn). Mineral fuels imports rose by 24.6% (CZK 3.4 bn) year-on-year. Imports of crude petroleum grew by 28.4% in value while it dropped by 8.2% in volume; imports of natural gas were higher by 34.1% in value and 92.4% in volume.

The trade balance with EU member states yielded a surplus of CZK 50.2 bn (by CZK 0.8 bn up compared with March 2009) and the trade balance with non-EU countries was passive by CZK 31.9 bn (deficit grew by CZK 3.5 bn year-on-year). Surplus rose in trade with Italy (by CZK 1.8 bn), Slovakia (by CZK 1.2 bn), Austria (by CZK 1.0 bn); and it fell in trade with Germany (by CZK 4.3 bn). Balance deteriorated in trade with Poland (by CZK 1.5 bn) as surplus turned into a deficit. Trade gap deepened with Russia (by CZK 2.4 bn) and China (by CZK 1.8 bn).

In the **twelve months to March 2010**, compared with the previous twelve months, exports and imports were down by 6.9% and 11.3% respectively. The trade balance reached a surplus of CZK 164.7 bn, which was by CZK 97.0 bn higher. Favourable development of trade balance was observed in all SITC sections except of 'food and live animals' where deficit widened by CZK 3.2 bn. Trade gap fell in 'mineral fuels, lubricants and related materials' (by CZK 49.2 bn), 'chemicals and related products' (by CZK 9.3 bn) and 'animal and vegetable oils, fats and waxes' (by CZK 0.2 bn). Surplus grew in trade in 'machinery and transport equipment' (by CZK 15.0 bn), 'miscellaneous manufactured articles' (by CZK 11.6 bn), 'crude materials, inedible, except fuels' (by CZK 11.0 bn), 'manufactured goods classified chiefly by material' (by CZK 3.2 bn) and 'beverages and tobacco' (by CZK 0.1 bn).

Trade surplus with EU member states rose by CZK 3.5 bn and trade gap with non-EU countries was by CZK 93.5 bn lower. Deficit decreased in trade with Russia (by CZK 27.0 bn), China (17.6 bn), Japan (by CZK 17.5) and Azerbaijan (by CZK 9.9 bn). Surplus was up in trade with Germany (by CZK 17.2 bn), Italy (by CZK 7.9 bn), France (by CZK 7.7 bn) and the United Kingdom (by CZK 7.3 bn). Balance deteriorated in trade with Poland (by CZK 21.0 bn) as surplus turned into a deficit; surplus fell in trade with Slovakia (by CZK 6.6 bn) and Romania (by CZK 5.8 bn).

In **January-March 2010**, exports and imports rose by 10.7% and 8.8% respectively. The trade surplus amounting to CZK 47.3 billion was up by CZK 13.0 billion year-on-year.

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According to the CZSO's sources, the data were reported by 94.7% of firms (goods dispatched) and 93.2% 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.