

## Short commentary

### External trade - August 2009

According to preliminary data, seasonally adjusted exports grew by 4.4% and imports by 4.2%, **compared with July 2009**. The development trend shows increasing exports by 1.7% and imports by 0.7%.

**Compared with August 2008**, exports and imports at current prices were down by 8.8% (CZK -15.4 bn) and 14.2% (CZK -24.4 bn), respectively. External trade has been declining incessantly since October 2008. External trade turnover (CZK 306.1 bn) fell by CZK 39.8 bn, year-on-year, to show the lowest monthly value of this year (August 2008 turnover was the second lowest of the year) attaining approximately the value recorded in August 2005. Turnover thus reached approximately the level of August 2005. August 2009 had the same number of working days as August 2008. Due to depreciation of the *koruna* against the two major currencies, external trade decreased markedly in euros (exports -13.7%, imports -18.8%) and even more in US dollars (exports -17.7%, imports -22.5%).

The trade balance ended in a surplus of CZK 10.6 bn, which was by CZK 9.1 bn more compared with August 2008. August trade balance has been always negative (with the exception of 1993 and 2008). Trade balance improved mainly in 'mineral fuels, lubricants and related materials' (deficit down by CZK 4.2 bn) and in 'machinery and transport equipment' (surplus up by CZK 3.3 bn). As deficit turned into a surplus the trade balance improved in 'crude materials, inedible, except fuels' by CZK 1.3 bn; and surplus went up in trade in 'manufactured goods classified chiefly by material' by CZK 1.2 bn and 'beverages and tobacco' by CZK 0.1 bn. An increase of deficit in 'chemicals and related products' by CZK 0.8 bn affected the total balance negatively. Trade surplus in 'miscellaneous manufactured articles' (CZK 0.8 bn) and deficit in 'food and live animals' (CZK 1.8 bn) remained on the August 2008 level.

Total exports of 'machinery and transport equipment' were down by 6.7% (CZK -5.9 bn). Decreases in exports were registered in 'telecommunications and sound-recording equipment' (CZK -2.6 bn), 'electrical machinery, apparatus and appliances' (CZK -2.5 bn) and 'general industrial machinery and equipment' (CZK -2.2 bn). Exports of 'road vehicles' rose by CZK 5.3 bn. Total imports of 'machinery and transport equipment' fell by 13.9% (CZK -9.2 bn) of which the biggest drops showed 'telecommunications and sound-recording equipment' (CZK -3.0 bn), 'machinery specialized for particular industries' (CZK -2.0 bn) and 'general industrial machinery and equipment' (CZK -1.8 bn). A decrease in exports of 'mineral fuels, lubricants and related materials' by 23.6% (CZK -4.8 bn) was mainly due to lower imports of crude petroleum and natural gas in value (by 28.4% and 24.1% respectively) In volume, imports of these two energy resources grew by 17.7% and 19.5% respectively.

The trade balance with EU member states was active by CZK 33.9 bn (surplus down by CZK 1.4 bn compared with August 2008) and the trade balance with non-EU countries was passive by CZK 23.3 bn (deficit improved by CZK 10.5 bn year-on-year). Deficit dropped in trade with China (by CZK 3.3 bn), Azerbaijan (by CZK 2.5 bn), Japan (by CZK 1.2 bn) and the Russian Federation (by CZK 0.7 bn). Balance improved in trade with the Ukraine (by CZK 1.0 bn) as deficit turned into a surplus. Surplus rose in trade with Germany by CZK 2.6 bn. On the other hand, surplus rose in trade with Poland (by CZK 1.1 bn), Romania (by CZK 1.0 bn) and Sweden (by CZK 0.7 bn).

In the **twelve months to July 2009**, compared with the previous twelve months, exports and imports were down by 14.9% and 15.1% respectively. The trade balance ended in a surplus of CZK 95.1 bn, which was down by CZK 8.7 bn. A long-term balance results were favourably influenced by decreases of deficit in 'mineral fuels lubricants and related materials' (by CZK -20.8 bn) and 'chemicals and related products' (by CZK -11.9 bn); and increases in surplus in trade in 'manufactured goods classified chiefly by material' (by CZK 17.3), 'crude materials, inedible, except fuels' (by CZK 3.7 bn) and 'beverages and tobacco' (by CZK 1.3 bn). Favourable influence on balance came from decreases in surplus in 'machinery and transport equipment' (by CZK 46.2 bn) and 'manufactured goods classified chiefly by material' (by CZK 13.8 bn). Deficit increased in trade in 'food and live animals' (by CZK 2.2 bn) and 'animal and vegetable oils, fats and waxes' (by CZK 1.5 bn).

Trade surplus with EU member states went down by CZK 18.4 bn and trade gap with non-EU countries was by CZK 9.7 bn lower. Surplus increased with Germany (by CZK 51.4 bn) and the Netherlands (by CZK 3.5 bn). Deficit decreased in trade with Japan (by CZK 13.0 bn), Azerbaijan (by CZK 10.5 bn) and the Russian Federation (by CZK 6.5 bn). On the other hand, surplus fell in trade with Poland by (CZK 12.8 bn), Romania (by CZK 9.5 bn), Belgium (by CZK 8.9 bn), Spain (by CZK 8.2 bn), Italy (by CZK 7.6 bn), Sweden (by CZK 6.7 bn) and Slovakia (by CZK 5.9 bn).

In **January-August 2009** exports and imports declined by 18.0% and 20.5%, respectively. The trade surplus reached CZK 100.0 billion and grew by CZK 27.8 billion in comparison with January-August 2008.

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According to the CZSO's sources, the data were reported by 98.2% of firms (goods dispatched) and 98.2% 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.