

COMMENTARY

Trend in June 2010

Month-on-month comparison:

- **Exports:** export prices increased by 1.0% in June (2.1% in May). The growth of the total m-o-m export price index came mainly from a 0.9% price increase in 'machinery and transport equipment'. Among important sections, the price growths were recorded for prices of 'manufactured goods classified chiefly by materials' by 1.8%, 'chemicals and related products' by 1.3% and 'miscellaneous manufactured articles' by 0.8%. The price drop was registered only in 'crude materials, inedible, except fuels' (-1.7%).
- **Imports:** import prices went up by 1.1% (2.7% in May). Increase of the total m-o-m import price index was driven mainly by a 13.1% and 1.0% growth in prices of 'crude materials, inedible, except fuels' and 'machinery and transport equipment', respectively. The price growths were registered also in 'miscellaneous manufactured articles' by 1.4% and 'manufactured goods classified chiefly by materials' by 1.1%. The price drops were recorded in 'food and live animals' (-0.8%) and prices in 'mineral fuels, lubricants and related materials' decreased after five months of growth by 0.6%.
- The **terms of trade** figures increased slightly to 99.9% (99.4% in May) and for the eighth successive month remained in negative values. More significant negative values of the terms of trade figures were recorded for 'crude materials, inedible, except fuels', (86.9%), 'miscellaneous manufactured articles' (99.4%) and 'machinery and transport equipment' (99.9%). On the contrary, among important section positive values of the terms of trade figures were registered in 'food and live animals' (101.7%), 'mineral fuels, lubricants and related materials' (101.4%), 'chemicals and related products' (100.8%) and 'manufactured goods classified chiefly by material' (100.7%).

Year-on-year comparison:

- **Exports:** export prices rose for the second month, this time by 2.0 % (0.3% in May). The growth of the total y-o-y export price index was mainly affected by a 34.6% price increase in 'crude materials, inedible, except fuels'. More marked price increases were recorded in 'chemicals and related products' by 12.3%, 'mineral fuels, lubricants and related materials' by 11.7% and 'manufactured goods classified chiefly by material' by 2.9%. More significant drops were reported in 'machinery and transport equipment' (-1.1%), 'miscellaneous manufactured articles' (-0.7%) and 'food and live animals' (-0.1%).
- **Imports:** import prices increased by 4.9% (3.1% in May). The increase was supported also by weakening of the koruna against dollar. The growth of the total y-o-y import price index came mainly from a 28.0% price increase in 'mineral fuels, lubricants and related materials'. Price increases were also recorded in 'crude materials, inedible, except fuels' (10.4%), manufactured goods classified chiefly by material' (3.3%), 'machinery and transport equipment' (2.2%), 'chemicals and related products' (2.0%) and 'food and live animals' (1.1%). Among important sections the price drop was observed only in 'miscellaneous manufactured articles' by 0.7%.
- The **terms of trade** figures decreased slightly to 97.2% (97.3% in May) and for the seventh month remained in negative values. The lowest values of the terms of trade figures recorded 'mineral fuels, lubricants and related materials' (87.3%), 'machinery and transport equipment' (96.8%), 'food and live animals' (98.8%) and 'manufactured goods classified chiefly by material' (99.6%). Among sections important in terms of weight, positive values of the terms of trade figures reached 'crude materials, inedible, except fuels' (121.9%) and 'chemicals and related products' (110.1%) The terms of trade figures of 'miscellaneous manufactured articles' stood at 100.0%.