

COMMENTARY

Trend in August 2017

Month-on-month comparison:

- **Exports:** export prices fell 0.1% in August (-0.8% in July). The change of the total m-o-m export price index was led mainly by a 0.2% price decrease in 'machinery and transport equipment'. Prices were falling in 'mineral fuels, lubricants and related materials' (-2.0%) and in 'chemicals and related products' (-0.6%). Prices of 'manufactured goods classified chiefly by material' and 'crude materials, inedible, except fuels' both grew 0.5%.
- **Imports:** import prices decreased by 0.4% in August following a 1.1% decline in July. The change of the total m-o-m import price index was driven mainly by a 0.6% price drop in 'machinery and transport equipment'. Prices in 'crude materials, inedible, except fuels' declined 3.9%, 'food and live animals' dropped 2.0% and another decrease was recorded in 'chemicals and related products' (-0.7%). Price growth was recorded in 'manufactured goods classified chiefly by material' (+0.6%) and 'mineral fuels, lubricants and related materials' (+0.5%).
- The **terms of trade** stayed at the same value of 100.3% as in July. Significant positive values of terms of trade were reached by prices of 'crude materials, inedible, except fuels' (104.6%), 'food and live animals' (102.0%), and 'machinery and transport equipment' (100.4%). Negative values of terms of trade were reached in 'mineral fuels, lubricants and related materials' (97.5%) and 'manufactured goods classified chiefly by material' (99.9%).

Year-on-year comparison:

- **Exports:** mainly due to strengthening of koruna against euro and U.S. dollar export prices fell 1.2% (-1.2% in July). A 3.1% price decline in 'machinery and transport equipment' contributed to the decrease in overall y-o-y export price index. 'Miscellaneous manufactured articles' prices dropped 1.6% while 'chemicals and related products' prices decreased by 1.1%. Prices were rising in 'mineral fuels, lubricants, and related products' (+9.8%; mainly coal) and in 'crude materials, inedible, except fuels' (+7.7%).
- **Imports:** import prices decreased by 1.1% after a 0.8% decline in July. The fall of the total annual import price index was primarily driven by a 4.4% drop in 'machinery and transport equipment'. Prices also fell in 'miscellaneous manufactured articles' (-3.3%) and in 'chemicals and related products' (-1.2%). Biggest price growth was reported in 'crude materials, inedible, except fuels' (+4.6%), 'mineral fuels, lubricants, and related products' (+4.5%), and 'manufactured goods classified chiefly by material' (+3.8%).
- The **terms of trade** figures increased to the value of 99.9% (99.6% in June) staying in negative values for the eleventh consecutive month. Only 'manufactured goods classified chiefly by material' reached negative values of terms of trade – 97.3%. Positive values of the terms of trade were reached by prices of 'mineral fuels, lubricants, and related products' (105.1%), 'miscellaneous manufactured articles' (101.8%), and 'machinery and transport equipment' (101.4%).