

COMMENTARY

Trend in December 2010

A. Export and import price indices

Month-on-month comparison:

- **Exports:** export prices increased by 2.5% in December (+0.8% in November). The growth of the total m-o-m export price index came mainly from a 2.6% price growth in 'machinery and transport equipment'. The prices increased in all observed sections. Among important sections, the prices in 'chemicals and related products' went up by 2.8%, 'manufactured goods classified chiefly by material' by 1.7% and 'miscellaneous manufactured articles' by 1.6%.
- **Imports:** import prices rose by 3.2% (+1.1% in November). Increase of the total m-o-m import price index was driven mainly by 9.9% price growth in 'mineral fuels, lubricants and related materials'. Price grew in all observed sections, among important sections, growth was reported in 'chemicals and related products' (2.2%), 'machinery and transport equipment' (2.1%), 'manufactured goods classified chiefly by material' (2.0%), and 'miscellaneous manufactured articles' (1.9%).
- The **terms of trade** figures decreased to 99.3% (99.7% in November). Negative values of the terms of trade figures, among important sections, recorded prices in 'mineral fuels, lubricants and related materials' (95.2%) and 'manufactured goods classified chiefly by material' and 'miscellaneous manufactured articles' both identically 99.7%. On the contrary, positive values of the terms of trade figures reached 'chemicals and related products' (100.6%), 'machinery and transport equipment' (100.5%) and 'crude materials, inedible, except fuels' (100.3%).

Year-on-year comparison:

- **Exports:** export prices increased by 2.3% (+0.8% in November). Index was affected mainly by price growth in 'manufactured goods classified chiefly by material' by 4.8%. Among sections important in terms of weight, the price growths were recorded in 'mineral fuels, lubricants and related materials' (15.8%), 'chemicals and related products' (9.3%) and 'food and live animals' (7.9%). Price drops were recorded only in 'machinery and transport equipment' and 'miscellaneous manufactured articles' by 1.6% and 1.5%, respectively.
- **Imports:** import prices went up by 5.9% (+4.3% in November). The increase was supported by weakening of the koruna against dollar. The growth of the total y-o-y import price index came mainly from a 25.9% price increase in 'mineral fuels, lubricants and related materials'. Price growths were also recorded in 'crude materials, inedible, except fuels' (37.2%), manufactured goods classified chiefly by material' (6.3%), 'food and live animals' (5.4%), 'chemicals and related products' (3.1%) and 'machinery and transport equipment' (0.6%). Prices dropped only in 'miscellaneous manufactured articles' (-1.0%).
- The **terms of trade** figures did not change and stayed on 96.6% and for the thirteenth month remained in negative values. The lowest values of the terms of trade figures recorded 'mineral fuels, lubricants and related materials' (92.0%), 'crude materials, inedible, except fuels' (92.4%), 'machinery and transport equipment' (97.8%), 'manufactured goods classified chiefly by material' (98.6%) and 'miscellaneous manufactured articles' (99.5%). On the contrary, significant positive values of the terms of trade figures were recorded in 'chemicals and related products' (106.0%) and 'food and live animals' (102.4%).

B. Price indices for international transport and banking services

Month-on-month comparison:

- Prices of *international passenger rail transport* for the Czech Republic (assets) and prices of transit increased both by 0.8%. Price index in the direction from the Czech Republic (liabilities) rose by 0.9%.
- Price index of *international freight rail transport* (only for the Czech Republic) went up in import direction by 1.8%, in export direction by 0.3% and in transit it did not change.
- Prices of *international passenger air transport* in the direction to the Czech Republic increased by 2.7% and in the direction from the Czech Republic they decreased by 0.7%. Index of *freight air transport* grew in the direction to the Czech Republic by 1.9% and in the direction from the Czech Republic it did not change.
- Prices of *external banking services* remained unchanged.

Year-on-year comparison:

- Prices of *international passenger rail transport* for the Czech Republic (assets), in the direction from the Czech Republic (liabilities) and prices of transit decreased identically by 4.9%.
- Price index of *international freight rail transport* (only for the Czech Republic) increased in import direction by 0.2% and in transit by 11.2%. In export direction price index decreased by 2.5%.
- Prices of *international passenger air transport* increased by 3.7% in the direction to the Czech Republic and by 6.4% in the direction from the Czech Republic. Price index of *freight air transport* decreased in the direction to the Czech Republic by 1.9% and in the direction from the Czech Republic price index went up by 6.2%.
- Prices of *external banking services* in total decreased by 0.5% in year-on-year comparison. Prices of letters of credits dropped by 4.2%, prices of clean payments and documentary collections remained unchanged.

Trend in 2010

A. Export and import price indices

- **For the whole year 2010** export prices decreased by 1.0% (growth by 0.2% in 2009), import prices increased by 2.0% (drop by 3.5% in 2009) **on average**.
- **Exports:** export prices of 'machinery and transport equipment' decreased by 3.1%, 'miscellaneous manufactured articles' by 2.8% and 'manufactured goods classified chiefly by material' by 1.9%. The biggest growths were recorded for prices of 'crude materials, inedible, except fuels' by 26.9%, 'chemicals and related products' by 6.5% and 'mineral fuels, lubricants and related materials' by 4.8%.
- **Imports:** import prices of 'mineral fuels, lubricants and related materials' went up by 21.7%, 'crude materials, inedible, except fuels' by 9.5%, 'manufactured goods classified chiefly by material' by 1.5% and 'food and live animals' by 0.3%. On the contrary, among important sections in terms of weight, decreases were registered in 'miscellaneous manufactured articles' by 2.8%, 'machinery and transport equipment' by 1.1% and 'chemicals and related products' by 0.1%.
- The **terms of trade** figures in total reached negative value 97.1% in 2010 (103.8% in 2009). Drop rate of the terms of trade figures was growing in each quarter 2010, in the last quarter 2010 the terms of trade figures were 96.5%.

B. Price indices for international transport and banking services

- Prices of *international passenger rail transport* were lower over the whole year 2010 compared to previous year. In year-on-year comparison prices dropped for the Czech Republic (assets) and prices of transit by 4.9% on average and in the direction from the Czech Republic (liabilities) they fell by 5.0% on average.
- Prices of *international freight rail transport* (only for the Czech Republic) were lower in export direction for the whole year compared to 2009 as well as prices in import direction, with the exception of December 2010. On the contrary, transit prices were higher over the whole year 2010 compared to previous year. Prices in export direction went down on average by 3.6% in 2010, in import direction by 4.3% and in transit prices increased by 11.8%.
- Prices of *international passenger air transport* in direction to the Czech Republic, influenced in addition to price changes also by exchange rates of foreign currency, increased by 0.2% on average. In the direction from the Czech Republic prices were higher for the whole year 2010 compared to 2009, their growth was 7.6% on average. Prices of *freight air transport* in the direction to the Czech Republic were lower on average by 3.6% than in previous year. In the direction from the Czech Republic prices were higher except for the first quarter, they increased by 1.6% on average.
- Prices of *external banking services provided to non-residents* for clean payments did not change in year-on-year comparison, prices of letters of credits decreased by 3.5% on average and prices of documentary collections rose by 0.2%. In total, annual average of prices was lower by 0.5% compared to 2009.

This press release was not edited for language.