

COMMENTARY

Trend in December 2012

A. Export and import price indices

Month-on-month comparison:

- **Exports:** export prices decreased by 0.7% in December (+0.9% in November). The change of the total m-o-m export price index was driven mainly by a 0.7% price drop in 'machinery and transport equipment'. Among important sections prices fell in 'mineral fuels, lubricants and related materials' (-2.4%), 'miscellaneous manufactured articles' (-0.9%), 'manufactured goods classified chiefly by material' (-0.6%) and 'chemicals and related products' (-0.5%). Prices were rising by 0.1% in 'crude materials, inedible, except fuels'.
- **Imports:** import prices decreased by 1.1% (+0.9% in November). The change of the total m-o-m import price index was driven mainly by a 3.1% price drop in 'mineral fuels, lubricants and related materials'. Among important sections price drop was recorded in 'machinery and transport equipment' (-1.1%), 'manufactured goods classified chiefly by material' (-0.7%) and 'chemicals and related products' (-0.5%). Significant price growth of 0.5% was registered in food and live animals'.
- The **terms of trade** figures slightly rose to 100.4% (100.0% in November). Highest values of the terms of trade figures, among important sections, were recorded in 'crude materials, inedible, except fuels' (102.2%), 'mineral fuels, lubricants and related materials' (100.7%) and 'machinery and transport equipment' (100.4%). Significant negative values of the terms of trade figures reached 'food and live animals' (98.8%) and 'miscellaneous manufactured articles' (99.4%).

Year-on-year comparison:

- **Exports:** export prices decreased by 0.7% (+0.3% in November), premier drop after seventeen months of growth. The change of the total y-o-y export price index was driven mainly by a 0.9% price drop in 'machinery and transport equipment'. Among important sections, prices decreased in 'mineral fuels, lubricants and related materials' and 'manufactured goods classified chiefly by material' by 7.9% and 1.8%, respectively. Significant price growth was recorded in 'chemicals and related products' (+4.6%), 'food and live animals' (4.6%), 'crude materials, inedible except fuels' (+1.9%) and 'miscellaneous manufactured articles' (+0.4%).
- **Imports:** import prices decreased by 0.6% (+1.3% in November), first drop after thirty-one months. Change of the total y-o-y import price index came mainly from a 12.9% price drop in 'crude materials, inedible, except fuels'. Among important sections, prices fell in 'manufactured goods classified chiefly by material' (-1.7%), 'miscellaneous manufactured articles' (-1.5%) and 'machinery and transport equipment' (-1.2%). On the contrary, significant price drop growth registered in 'food and live animals' (+6.6%), 'chemicals and related products' (+2.1%) and 'mineral fuels, lubricant and related products' (+1.4%).
- The **terms of trade** rose to 99.9% (99.0% in November) and they have stayed in negative values for the thirty-seventh straight month. Among important sections, negative values of the terms of trade figures reached 'mineral fuels, lubricants and related materials' (90.8%), 'food and live animals' (98.1%) and 'manufactured goods classified chiefly by material' (99.9%). Positive values

of the terms of trade figures, among important sections, reached 'chemicals and related products' (102.4%), 'miscellaneous manufactured articles' (101.9%) and 'machinery and transport equipment' (100.3%).

B. Price indices for international transport

Month-on-month comparison:

- Prices of *international passenger rail transport* did not change, month-on-month.
- Price index of *international freight rail transport* (only for the Czech Republic) went up in import direction by 2.5%, in export direction by 3.6% and in transit by 1.6%.
- Prices of *international passenger air transport* in the direction to the Czech Republic increased by 1.7% and in the direction from the Czech Republic they decreased by 0.2%. Index of *freight air transport* grew in the direction to the Czech Republic by 2.4% and in the direction from the Czech Republic by 0.1%.

Year-on-year comparison:

- Prices of *international passenger rail transport* increased for the Czech Republic (assets) by 4.4%, in the direction from the Czech Republic (liabilities) and prices of transit both by 4.1%.
- Price index of *international freight rail transport* (only for the Czech Republic) increased in import direction by 6.3% and in export direction by 1.4%. In transit price index decreased by 1.1%.
- Prices of *international passenger air transport* increased by 7.6% in the direction to the Czech Republic and by 7.3% in the direction from the Czech Republic. Price index of *freight air transport* increased in the direction to the Czech Republic and in the direction from the Czech Republic identically by 0.1%.

Trend in 2012

A. Export and import price indices

- For the whole year 2012, export prices increased by 2.9% (+1.7% in 2011), import prices increased by 4.2% (+4.3 in 2011).
- **Exports:** among important sections, prices grew in 'chemicals and related products' (+4.8%), 'miscellaneous manufactured articles' (+4.0%), 'food and live animals' (+3.9%), 'crude materials, inedible, except fuels' (+3.5%) and 'machinery and transport equipment'(+2.8%). 'mineral fuels, lubricants and related materials' (+13.0%). Biggest price drop was registered in 'mineral fuels, lubricants and related materials' (-2.4%).
- **Imports:** prices increased significantly in 'mineral fuels, lubricants, and related materials' (+15.7%; +24.4% in 2011), 'food and live animals' (+6.7%), 'chemicals and related products' (+3.6%), and 'machinery and transport equipment' (+2.7%). Prices fell only in 'crude materials, inedible, except fuels', by 2.6%.
- The **terms of trade** figures in total reached negative value of 98.8% in 2012 (97.5% in 2011), they have stayed in negative values for three years.

Czech Statistical Office has been preparing a revision of external trade price indices.

From January 2013, export and import price indices will be calculated using new weighting scheme based upon External trade statistics data from year 2010 and implementing new price base y. 2010 average = 100. New indices will be chained to existent time series (2005 average = 100) thus enabling continuation of current time series. Hitherto published indices will not be revised.

B. Price indices for international transport

- Prices of *international passenger rail transport* grew for whole year 2012 compared to previous year, they increased for the Czech Republic (assets) by 6.7% on average, in the direction from the Czech Republic (liabilities) by 6.4% and prices of transit by 6.2% on average.
- Prices of *international freight rail transport* (only for the Czech Republic) were higher in import direction for the whole year 2012 compared to 2011, they rose by 6.8% on average. In transit prices increased by 2.5% and they were higher for whole year 2012 compared to 2011, except for November and December 2012. On the contrary, in export direction prices were lower for the whole year 2012 in year-on-year comparison, except for December 2012, they decrease by 5.1% on average.
- Prices of *international passenger air transport* in direction to the Czech Republic grew in separate month 2012 in year-on-year comparison, except for January 2012, they increased by 6.4% on average. In the direction from the Czech Republic prices were higher compared to 2011, except for first quarter 2012, their increase was 6.0% on average. Prices of *freight air transport* in the direction to the Czech Republic were higher than in previous year, they increased by 4.6%. In the direction from the Czech Republic prices did not change on average compared to previous year.