*Commentary*

*Trend in 2017*

*For the whole year 2017, annual export prices edged down 0.1% (-3.1% in 2016), import prices ticked up 0.9% (-4.0% in 2016).*

* *Exports: prices were falling in ‘machinery and transport equipment‘ (-2.2%) and ‘miscellaneous manufactured articles’ (-1.0%) Price growth was registered in ‘mineral fuels, lubricants and related materials’ (+16.3), ‘crude materials, inedible, except fuels’ (+10.3%), and ‘food and live animals’ (+2.2%).*
* *Imports: prices significantly grew in ‘mineral fuels, lubricants and related materials’   
  (+13.9%), ‘crude materials, inedible, except fuels’ (+10.3%), and ‘manufactured goods classified chiefly by material’ (+4.9%). ‘Machinery and transport equipment‘ prices decreased by 2.9%, ‘miscellaneous manufactured articles’ prices dropped 2.2%.*
* *The terms of trade figures in 2017 reached the value of 99.0% (100.9% in 2016).*

*Trend in December 2017*

***Month-on-month comparison***

* *Exports: export prices rose 0.4% in December (-0.5% in November). The change of the total   
  m-o-m export price index was led mainly by a 0.2% price increase in ‘machinery and transport equipment’. Biggest price growth was registered in ‘crude materials, inedible, except fuels’   
  (+1.8%), ‘chemicals and related products’ (+1.6%), and ‘manufactured goods classified chiefly by material’ (+0.5%). ‘Mineral fuels, lubricants and related materials’ prices significantly dropped 1.1%.*
* *Imports: import prices increased by 0.4% in December following a 0.3% decline in November.   
  The change of the total m-o-m import price index was driven mainly by a 1.7% price growth   
  in ‘mineral fuels, lubricants and related materials’. Prices in ‘food and live animals’ ticked up 1.0%, ‘chemicals and related products’ grew 0.8% and ‘machinery and transport equipment’ prices increased by 0.1%. Prices in ‘crude materials, inedible, except fuels’ declined 0.8%, ‘miscellaneous manufactured articles’ edged down 0.5%.*
* *The terms of trade increased to the value of 100.0% (99.8% in November). Significant positive values of terms of trade were reached by prices of ‘miscellaneous manufactured articles’ (100.8%), ‘chemicals and related products’ (100.8%), ‘manufactured goods classified chiefly by material’ (100.2%), and ‘machinery and transport equipment’ (100.1%). Negative values of terms of trade were reached in ‘mineral fuels, lubricants and related materials’ (97.2%) and ‘food and live animals’ (98.8%).*

***Year-on-year comparison***

* *Exports: mainly due to strengthening of koruna against euro and U.S. dollar export prices fell 2.8% (-2.7% in November). A 4.9% price decline in ‘machinery and transport equipment’ contributed to the decrease in overall y-o-y export price index. ‘Miscellaneous manufactured articles’ prices dropped 4.2% and ‘chemicals and related products’ prices fell 1.3%. Prices were rising in ‘crude materials, inedible, except fuels’ (+4.6%), ‘mineral fuels, lubricants, and related products’ (+1.7%), and in ‘manufactured goods classified chiefly by material’ (+0.4%).*
* *Imports: import prices decreased by 4.2% after a 3.3% decline in November. The fall of the total annual import price index was primarily driven by a 7.3% drop in ‘machinery and transport equipment’. Prices also fell in ‘miscellaneous manufactured articles’ (-6.0%) and in ‘chemicals and related products’ (-1.1%). ‘Manufactured goods classified chiefly by material’ prices ticked up 0.7%.*
* *The terms of trade figures increased to the value of 101.5% (100.6% in November) staying in the positive values for the third successive month. Among significant groups, positive values were reached by prices of ‘crude materials, inedible, except fuels’ (111.2%), ‘machinery and transport equipment‘ (102.6%), and ‘miscellaneous manufactured articles’ (101.9%). ‘Manufactured goods classified chiefly by material’ and ‘chemicals and related products’ reached negative values of terms of trade – 99.7% and 99.8%, respectively.*