

Short commentary

According to preliminary data, seasonally adjusted exports grew by 5.1% and imports decreased by 0.9%, **compared with February 2009**. The development trend shows increasing exports (+1.4%) and decreasing imports (-1.3%).

Compared with March 2008, exports and imports at current prices fell by 6.3% (CZK -13.4 bn) and 13.5% (CZK -27.4 bn) respectively. They are the lowest annual decreases since September 2008 (exports) and since December 2008 (imports). Due to depreciation of the *koruna* against the two major currencies, external trade decreased faster in euros (exports -13.2%, imports -19.8%) and even more in US dollars (exports -27.1%, imports -32.7%). March 2009 had two more working days than March 2008. Also the low comparative basis of March 2008 and Easter holiday (in 2008 in March and in 2009 in April) had a certain effect on the figures.

The trade balance reached a surplus of CZK 23.4 bn, which is the largest in the history of the Czech Republic. The annual increase of trade surplus (CZK +14.1 bn) is at an all time high too. March trade balance was in the black in 1993, and it has been active since the Czech Republic joined the European Union.

A fall in deficit in 'mineral fuels, lubricants and related materials' (by CZK 5.3 bn) and increases in surplus in 'manufactured goods classified chiefly by material' (by CZK 5.1 bn) and 'machinery and transport equipment' (by CZK 3.5 bn) were the main positive impacts on the total balance. The trade balance improved by CZK 1.2 bn as deficit turned into a surplus in 'crude materials, inedible, except fuels'. Trade balance was negatively affected by decreases in surplus in 'miscellaneous manufactured articles' (by CZK 0.4 bn) and 'beverages and tobacco' (by CZK 0.3 bn); and by a deterioration of trade deficit in 'food and live animals' (by CZK 0.2 bn). Deficit in 'chemicals and related products' (CZK 8.7 bn) remained roughly at the same level as in March 2008.

In 'machinery and transport equipment' exports were down by 8.2% (CZK -9.6 bn) and imports by 15.2% (CZK -13.0 bn). The highest export and import decreases were registered in 'road vehicles' (CZK -3.0 bn and CZK -4.1 bn respectively), 'general industrial machinery and equipment' (CZK 2.8 bn and CZK -1.9 bn respectively) and 'electrical machinery, apparatus and appliances' (CZK -2.3 bn and CZK -2.0 bn respectively). The decrease of 29.2% (CZK -5.7 bn) in imports of 'mineral fuels, lubricants and related materials' was mainly due to lower imports of crude oil (-42.9% in value and -5.2% in volume) and natural gas (-15.5% in value and -36.4% in volume). Trade surplus rose in 'manufactured goods classified chiefly by material' as a result of improved trade balance in iron and steel and non-ferrous metals (imports considerably down).

The trade balance with EU member states was active by CZK 51.4 bn (surplus up by CZK 7.5 bn compared with March 2008) and the trade balance with non-EU countries passive (deficit down by 6.6 bn). Surplus rose in trade with Germany (by CZK 12.7 bn), France (by CZK 2.0 bn) and Slovakia (by CZK 0.6 bn). Deficit decreased in trade with the Russian Federation (by CZK 4.8 bn), Japan (by CZK 1.1 bn) and Azerbaijan (by CZK 0.8 bn). Trade balance improved with Turkey (by CZK 0.8 bn) as deficit turned into a surplus. Deficit grew in trade with China (by CZK 2.4 bn) and the United States (by CZK 0.6 bn). Surplus went down in trade with Romania (by CZK 2.4 bn), Poland (by CZK 0.9 bn), Belgium (by CZK 0.8 bn), Spain and Sweden (both by CZK 0.7 bn). Trade balance deteriorated with Italy (by CZK 1.4 bn) and Norway (by CZK 1.0 bn) as surplus turned into a deficit.

In the **twelve months to March 2009**, compared with the previous twelve months, exports and imports were down by 6.7% and 6.4% respectively. The trade balance yielded a surplus of CZK 70.3 bn, which was down by CZK 13.8 bn. A long-term unfavourable effect on the trade balance came from the growth of deficit in 'mineral fuels, lubricants and related materials' (by CZK 23.3 bn) and decreases in surplus in 'miscellaneous manufactured articles' (by CZK 14.6 bn) and 'machinery and transport equipment' (by CZK 6.8 bn). Improvements were achieved in trade in 'manufactured goods classified chiefly by material' (surplus up by CZK 18.7 bn), 'chemicals and related products' (deficit down by CZK 10.2 bn), 'beverages and tobacco' (surplus up by CZK 2.5 bn) and 'crude materials, inedible, except fuels' (surplus by CZK 0.7 bn). Trade deficit in 'food and live animals' (CZK 28.0 bn) did not change in comparison with the previous twelve months.

By group of countries, trade surplus with EU member states rose by CZK 44.3 bn and trade gap with non-EU countries grew by CZK 58.1 bn. Surplus increased with Germany (by CZK 47.8 bn), the Netherlands (by CZK 16.8 bn), France (by CZK 5.2 bn), Austria (by CZK 4.8 bn), Slovakia (by CZK 4.3 bn) and Poland (by CZK 3.1 bn). Trade deficit decreased with Taiwan (by CZK 3.9 bn) and Japan (by CZK 3.8 bn). Trade gap grew with China (by CZK 21.3 bn), the Russian Federation (by CZK 16.9 bn); trade balance deteriorated with Norway (by CZK 12.2 bn) as surplus turned into a deficit. Surplus decreases were recorded in trade with Spain (by CZK 10.3 bn), Belgium (by CZK 7.9 bn), Italy (by CZK 6.7 bn) and Romania (by CZK 5.1 bn).

In **January-March 2009** exports and imports declined by 17.5% and 18.8% respectively. The trade surplus reached CZK 35.5 billion and grew by CZK 1.4 billion in comparison with January-March 2008.

According to the CZSO's sources, the data were reported by 96.0% of firms (goods dispatched) and 97.5% of firms (goods arrived) among the companies obliged to report to the Intrastat system.

Data for companies exempted from the reporting duty according to amended Decree No 201/2005 Sb. and for companies that failed to report have been imputed. The imputation methods are based on data that the companies reported in the previous period and data from the VAT returns.