

COMMENTARY

Trend in September 2010

Month-on-month comparison:

- **Exports:** export prices decreased by 0.3% in September (-1.6% in August). The fall of the total m-o-m export price index came mainly from a 0.4% price drop in 'machinery and transport equipment'. Among important sections, the price drops were recorded for prices of 'miscellaneous manufactured articles' by 0.8%, 'chemicals and related products' by 0.2%, 'manufactured goods classified chiefly by material' by 0.1%. On the contrary, the price growths were registered in 'mineral fuels, lubricants and related materials' (1.0%), 'crude materials, inedible, except fuels' (0.9%) and 'food and live animals' (0.5%).
- **Imports:** import prices went down by 0.4% (-1.2% in August). Drop of the total m-o-m import price index was driven mainly by 1.3% price drop in 'machinery and transport equipment'. Another marked price drops were registered in 'mineral fuels, lubricants and related materials' (-0.8%) and 'miscellaneous manufactured articles' (-0.4%). Among important sections, the prices in 'crude materials, inedible, except fuels', 'food and live animals', 'chemicals and related products' and 'manufactured goods, classified chiefly by material' increased by 2.2%, 0.2%, 0.1% and 0.1%, respectively.
- The **terms of trade** figures increased to 100,1% (99.6% in August) and emerged from negative values after ten successive months. The positive values of the terms of trade figures were recorded for 'mineral fuels, lubricants and related materials' (101.8%), 'machinery and transport equipment' (100.9%) and 'food and live animals' (100.3%). On the contrary, among important sections negative values of the terms of trade figures were registered in 'crude materials, inedible, except fuels' (98.7%), 'miscellaneous manufactured articles' (99.6%), 'chemicals and related products' (99.7%) and 'manufactured goods classified chiefly by material' (99.8%).

Year-on-year comparison:

- **Exports:** export prices rose for the fifth month, this time by 2.3 % (1.6% in August). The growth of the total y-o-y export price index was mainly affected by a 4.3% price increase in 'manufactured goods classified chiefly by material'. More marked price increases were recorded in 'crude materials, inedible, except fuels' (25.9%), 'mineral fuels, lubricants and related materials' by 15.7%, 'chemicals and related products' by 5.9% and 'food and live animals' by 5.3%. The prices in 'machinery and transport equipment' and 'miscellaneous manufactured articles' fell by 0.9% and 0.7%, respectively.
- **Imports:** import prices increased by 6.2% (5.2% in August). This increase was supported also by weakening of the koruna against dollar. The growth of the total y-o-y import price index came mainly from a 27.5% price increase in 'mineral fuels, lubricants and related materials'. Price growths were also recorded in 'crude materials, inedible, except fuels' (38.0%), manufactured goods classified chiefly by material' (6.0%), 'food and live animals' (5.0%), 'chemicals and related products' (2.3%), 'machinery and transport equipment' (1.6%) and 'miscellaneous manufactured articles; (0.5%). Price drop was observed only in 'beverages and tobacco' by 2.9%.
- The **terms of trade** figures decreased slightly to 96.3% (96.6% in August) and for the tenth month remained in negative values. The lowest values of the terms of trade figures recorded 'mineral fuels, lubricants and related materials' (90.7%), 'crude materials, inedible, except fuels' (91.2%), 'machinery and transport equipment' (97.5%), 'manufactured goods classified chiefly by material' (98.4%) and 'miscellaneous manufactured articles' (98.8%). Among sections important in terms of weight, positive values of the terms of trade figures reached 'chemicals and related products' (103.5%) and 'food and live animals' (100.3%).