

Short commentary

External trade - April 2009

According to preliminary data, seasonally adjusted exports fell by 2.1% and imports by 1.6%, **compared with April 2009**. The development trend shows increasing exports (+0.3%) and decreasing imports (-1.3%).

Compared with April 2008, exports and imports at current prices were down by 22.8% (CZK -51.2 bn) and 26.0% (CZK -56.7 bn), respectively. It has been the biggest y-o-y slump in imports and the second biggest fall in exports since the Czech Republic was established. The high comparative basis of April 2008 (the largest monthly turnover of 2008), Easter holiday (in 2008 in March) and one working day less in April 2009 than in April 2008 influenced the results. Due to depreciation of the *koruna* against the two major currencies, external trade decreased faster in euros (exports -27.6%, imports -30.7%) and even more in US dollars (exports -39.4%, imports -41.9%).

The trade balance reached a surplus of CZK 12.0 bn, which was by CZK 5.6 bn more, y-o-y. A fall of deficit of CZK 4.1 bn in 'mineral fuels, lubricants and related materials' contributed most to the growth of the surplus. Trade balance in 'manufactured goods classified chiefly by material' improved by CZK 3.2 bn as deficit of CZK 0.6 bn turned into a surplus of CZK 2.6 bn, deficit in 'chemicals and related products' fell by CZK 1.8 bn and surplus grew in 'crude materials, inedible, except fuels' by CZK 0.8 bn. The total balance was influenced negatively by decreases of surplus in 'machinery and transport equipment' (by CZK -2.2 bn), 'miscellaneous manufactured articles' (by CZK 1.0 bn) and 'beverages and tobacco' (by CZK -0.4bn). Deficit in 'food and live animals' deepened by CZK 0.7 bn.

In 'machinery and transport equipment' exports went down by 23.0% (CZK -27.9 bn) and imports by 27.8% (CZK 25.7 bn). The biggest export and import decreases were registered in 'road vehicles' (CZK -7.3 bn and CZK 6.6 bn, respectively), 'electrical machinery, apparatus and appliances' (CZK -6.6 bn and CZK -4.9 bn, respectively) and 'general industrial machinery and equipment' (CZK 5.4 bn and CZK -3.6 bn respectively). Imports of 'mineral fuels, lubricants and related materials' dropped by 28.7% (CZK -5.6 bn). Imports of crude oil by were by 24.7% less in value and by 23.7% more in volume. Imports of natural gas fell by 23.6% in value and rose 34.0% in volume.

The trade balance with EU member states was active by CZK 38.4 bn (surplus down by CZK 1.7 bn compared with April 2008) and the trade balance with non-EU countries was passive by CZK 26.4 bn (deficit down by 7.3 bn). Surplus rose in trade with Germany (by CZK 7.8 bn), France and the Netherlands (both by CZK 0.5 bn). Trade balance improved with Turkey by CZK 1.8 bn as deficit turned into a surplus; and deficit dropped in trade with the Russian Federation by CZK 3.2 bn, Japan by CZK 1.9 bn, China by CZK 1.7 bn and Taiwan by CZK 0.6 bn. Surplus decreased in trade with Slovakia by CZK 3.1 bn, Sweden by CZK 1.1 bn, Spain and Romania (both by CZK 0.8 bn) and Italy by CZK 0.5 bn. Trade gap increased in trade with the United States by CZK 0.5 bn.

In the **twelve months to April 2009**, compared with the previous twelve months, exports and imports were down by 10.0% and 9.9%, respectively. The trade balance reached a surplus of CZK 74.3 bn, which was down by CZK 11.1 bn. Decreases in surplus in 'machinery and transport equipment' (by CZK 15.3 bn), 'miscellaneous manufactured articles' (by CZK 14.8 bn) and 'crude materials, inedible, except fuels' (by CZK 0.6 bn) and increases in deficit in 'mineral fuels, lubricants and related materials' (by CZK 14.7 bn) and 'food and live animals' (by CZK 2.3 bn) affected the trade balance unfavourably. An opposite effect came from growing surplus in 'manufactured goods classified chiefly by material' by CZK 21.6 bn and 'beverages and tobacco' by CZK 1.8 bn and falling trade gap in 'chemicals and related products' by CZK 14.8 bn.

By group of countries, trade surplus with EU member states rose by CZK 33,5 bn and trade gap with non-EU countries grew by CZK 44.6 bn. Surplus increased with Germany (by CZK 57.3 bn), the Netherlands (by CZK 16.2 bn), Austria (by CZK 3.8 bn) and France (by CZK 3.7 bn). Trade deficit decreased with Japan (by CZK 6.7 bn) and Taiwan (by CZK 4.7 bn). On the other hand, trade gap rose in trade with China (by CZK 15.3 bn), the Russian Federation (by CZK 13.2 bn) and the United States (by CZK 3.4 bn). Trade balance deteriorated with Norway (by CZK 13.4 bn) as surplus turned into a deficit. Surplus fell in trade with Spain (by CZK 11.3 bn), Belgium (by CZK 8.2 bn), Italy (by CZK 6.8 bn), Romania (by CZK 6.7 bn), the United Kingdom (by CZK 4.8 bn) and Slovakia (by CZK 2.1 bn).

In **January-April 2009** exports and imports declined by 19.8% and 21.6% respectively. The trade surplus reached CZK 47.3 billion and grew by CZK 6.9 billion in comparison with January-April 2008.

The CZSO has carried out the regular quarterly update. The updated figures suggest that the **2008** trade surplus decreased by CZK 1.3 billion to CZK 67.5 billion and trade surplus for **Q1 2009** dropped by CZK 0.2 billion to CZK 35.3 billion.

According to the CZSO's sources, the data were reported by 97.9% of firms (goods dispatched) and 98.5% 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.