

COMMENTARY

Trend in November 2009

A. Export and import price indices

Month-on-month comparison:

- **Exports:** export prices did not change (+1.5% in October). The biggest price growth was recorded in 'food and live animals' (+0.7%), 'manufactured goods classified chiefly by material' (+0.4%) and 'machinery and transport equipment' (+0.2%). On the contrary, the biggest price drop was registered in 'mineral fuels, lubricants and related materials' (-2.7%), 'crude materials, inedible, except fuels' (-1.9%) and 'chemicals and related products, n.e.s.' (-0.4%).
- **Imports:** import prices grew by 0.6% (+1.5% in October). Increase of the total m-o-m import price index was driven mainly by a 4.3% growth in prices of 'mineral fuels, lubricants and related materials'. The prices of 'food and live animals' increased by 1.3% and prices of 'miscellaneous manufactured articles' grew by 0.6%. The prices in 'machinery and transport equipment' did not change. The price drop was registered only in 'chemicals and related products, n.e.s.' (-0.3%) and 'crude materials, inedible, except fuels' (-0.1%).
- The **terms of trade** figures slightly decreased to reach negative values 99.4% (100.0% in October). Among sections important in terms of weight negative values were recorded in 'mineral fuels, lubricants and related materials' (93.3%), 'crude materials, inedible, except fuels' (98.2%) and 'miscellaneous manufactured articles' (99.5%). The terms of trade figures of 'manufactured goods classified chiefly by material' stood at 100.0%. Positive terms of trade figures were registered only in 'machinery and transport equipment' (100.2%).

Year-on-year comparison:

- **Exports:** export prices decreased for the fourth month in a row, this time by 3.4% (-3.2% in October). Change of the total y-o-y export price index was mainly affected by a 9.4% price drop in 'manufactured goods classified chiefly by material'. More marked price drops were recorded in 'mineral fuels, lubricants and related materials' (-13.0%), 'chemicals and related products' (-7.0%) and 'food and live animals' (-6.5%). Price growth was reported for 'crude materials, inedible, except fuels' (+0.8%) and 'miscellaneous manufactured articles' (+0.7%).
- **Imports:** import prices slowed down their fall to decrease by 5.7%, (-8.1% in October). The change of the total y-o-y import price index came mainly from a 15.1% price drop in 'mineral fuels, lubricants and related materials'. Among important sections price drops were recorded in 'crude materials, inedible, except fuels' (-24.3%), 'chemicals and related products' (-5.9%) and 'manufactured goods classified chiefly by material' (-5.1%). There was no price increase recorded in any group.
- The **terms of trade** figures reached 102.4% in November (105.3% in October). Among sections important in terms of weight, higher values of the terms of trade figures were recorded for 'crude materials, inedible, except fuels' (133.2%), 'miscellaneous manufactured articles' (102.8%), 'machinery and transport equipment' (102.6%) and 'mineral fuels, lubricants and related materials' (102.5%). By contrast, negative values were registered in 'manufactured goods classified chiefly by material' (95.5%), 'food and live animals' (98.3%) and 'chemicals and related products, n.e.s.' (98.8%).

B. Price indices for international transport and banking services

Month-on-month comparison:

- Prices of *international passenger rail transport* for the Czech Republic (assets), in the direction from the Czech Republic (liabilities) and prices of transit decreased identically by 0.7 %.
- Price index of *international freight rail transport* (only for the Czech Republic) increased in export direction by 0.6 % and in transit by 0.3 %. In import direction prices went down by 0.4 %.
- Prices of *international passenger air transport* increased in the direction to the Czech Republic by 2.7 % and in the direction from the Czech Republic they decreased by 0.1 %. Index of *freight air transport* increased in the direction to the Czech Republic by 2.3 % and in the direction from the Czech Republic it did not change.
- Prices of *external banking services* in total remained unchanged, although prices of documentary collections went up by 0.2 %. Prices of clean payments and letters of credit did not change.

Year-on-year comparison:

- Prices of *international passenger rail transport* increased for the Czech Republic (assets) by 30.4 %, in the direction from the Czech Republic (liabilities) by 3.7 % and prices of transit by 30.3 %.
- Price index of *international freight rail transport* (only for the Czech Republic) increased in export direction by 6.1 % and in transit by 3.0 %. In import direction price index decreased by 4.6 %.
- Prices of *international passenger air transport* increased in the direction to the Czech Republic by 0.6 % and in the direction from the Czech Republic they went down by 0.4 %. Price index of *freight air transport* decreased by 6.5 % in the direction to the Czech Republic and by 2.7 % in the direction from the Czech Republic.
- Prices of *external banking services* in total did not change in year-on-year comparison. Prices of clean payments and letters of credits remained unchanged, prices of documentary collections increased by 0.2 %.