

Short commentary

External trade - December 2009

According to preliminary data, seasonally adjusted exports and imports fell by 0.9% and 0.2% respectively, **compared with November 2009**. The development trend shows increasing exports (+ 0.3%) and imports (+ 0.4%).

Compared with December 2008, exports rose by 4.8% and imports dropped by 2.8% at current prices, which have been the most favourable results since September 2008. An appreciation of CZK against USD resulted in growing exports (+14.4%) and imports (+6.3%) in US dollars. An insignificant appreciation of CZK against EUR implied an increase in exports by 4.9% and a decrease in imports by 2.5%, both in euros. December 2009 had one working day more than December 2008.

The trade balance showed a surplus of CZK 2.8 bn, which was by CZK 11.9 bn better result, year-on-year. The December trade balances have been always negative since the establishment of the Czech Republic; the deepest trade gap was recorded in December 2001 (CZK -21.2 bn). Curbing deficit in trade in 'mineral fuels, lubricants and related materials' (by CZK 4.0 bn) had the most favourable influence on the total trade balance. 'Machinery and transport equipment' showed a growth of surplus by CZK 2.6 bn; and the trade balance in 'manufactured goods classified chiefly by material', 'crude materials, inedible, except fuels' and 'miscellaneous manufactured articles' improved by CZK 2.8 bn, CZK 1.6 bn and CZK 1.4 bn, respectively, as deficit turned into a surplus. Slightly worse figures were observed in 'beverages and tobacco' (down by CZK 0.4 bn as surplus turned into a deficit), 'chemicals and related products' and 'food and live animals' (both deficits up by CZK 0.1 bn).

Total exports in 'machinery and transport equipment' were up by 5.6% (CZK +4.8 bn). Higher exports were recorded mainly in 'road vehicles' (CZK +7.7 bn), 'electrical machinery, apparatus and appliances' (CZK +1.9 bn) and 'office machines, automatic data-processing machines' (CZK +1.2 bn). Exports fell especially in 'telecommunications and sound-recording equipment' (by CZK -2.8 bn). 'Machinery and transport equipment' imports grew by 3.1% (CZK +2.2 bn), of which the biggest increases came from 'electrical machinery, apparatus and appliances' (CZK +3.7 bn), 'office machines, automatic data-processing machines' (CZK +2.8 bn) and 'road vehicles' (CZK +1.0 bn). Imports fell mainly in 'machinery specialized for particular industries' (CZK -1.7 bn). Falling imports of 'mineral fuels, lubricants and related materials' by 19.8% (CZK -4.2 bn) owed mainly to lower imports of crude petroleum (-18.1% in value, -16.2% in volume). Imports of natural gas dropped by 39.9% in value and rose by 20.7% in volume.

The trade balance with EU member states was active by CZK 33.0 bn (surplus up by CZK 6.8 bn compared with December 2008) and the trade balance with non-EU countries was passive by CZK 30.2 bn (deficit improved by CZK 5.1 bn year-on-year). Surplus rose in trade with France (by CZK 2.8 bn), the United Kingdom (by CZK 1.0 bn) and Germany (by CZK 0.5 bn). Balance improved in trade with Italy (CZK 1.4 bn) and Spain (by CZK 1.3 bn) as deficit turned into a surplus. Trade gap narrowed with the Russian Federation (by CZK 2.6 bn); and it remained on the December 2008 level in trade with China (CZK -16.6 bn). Balance deteriorated in trade with Poland (by CZK 1.5 bn) as surplus turned into a deficit and trade surplus dropped with the Netherlands (by CZK 0.8 bn).

In the **year 2009**, compared with the previous twelve months, exports and imports were down by 14.1% and 18.1% respectively. The trade balance reached a surplus of CZK 153.2 bn, which was by CZK 85.9 bn higher. Favourable effect on development of the total balance came from trade in 'mineral fuels lubricants and related materials' (deficit down by CZK 58.9 bn), 'manufactured goods classified chiefly by material' (surplus up by CZK 22.6 bn), crude materials, inedible, except fuels' (surplus up by CZK 12.1 bn), 'chemicals and related products' (deficit down by CZK 10.8 bn) and 'miscellaneous manufactured articles' (surplus up by CZK 1.9 bn). Decreases in surplus in 'machinery and transport equipment' and 'beverages and tobacco' (by CZK 16.8 bn and CZK 1.2 bn respectively) and increases in deficit in 'food and live animals' and 'animal and vegetable oils, fats and waxes' (by CZK 1.8 bn and CZK 1.0 bn respectively) affected the trade balance unfavourably.

Trade surplus with EU member states was up by CZK 1.9 bn and trade gap with non-EU countries was by CZK 84.0 bn lower. Surplus rose with Germany (by CZK 48.5 bn), France and Hungary (both by CZK 6.3 bn); deficit fell in trade with the Russian Federation (by CZK 31.0) China (by CZK 25.4 bn), Japan (by CZK 15.5 bn) and Azerbaijan (by CZK 13.4 bn). Balance deteriorated in trade with Poland (by CZK 20.8 bn) as surplus turned into a deficit; surplus went down in trade with Romania (by CZK 10.5 bn), the Netherlands (by CZK 6.0 bn), Sweden (by 5.9 bn) and Slovakia (by CZK 4.1 bn).

In the year 2009, according to the estimation, external trade balance in the **prices of the year 2008** stood at about CZK 96 billion.

According to the CZSO's sources, the data were reported by 98.2% of firms (goods dispatched) and 98.1% 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 Coll. 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.