

COMMENTARY

Trend in April 2009

A. Export and import price indices

Month-on-month comparison:

- **Exports:** export prices decreased by 1.9% in April (-4.3% in March), especially due to strengthening of the Czech crown to Euro and US Dollar. The drop of the total m-o-m export price index came mainly from a 3.0% price drop in 'manufactured goods, classified chiefly by materials'. Price drops were recorded also for all other observed sections. The biggest price decreases were observed in 'mineral fuels' (-7.6%), 'chemicals and chemical products' (-3.0%), 'miscellaneous manufactured articles' (-1.6%), and 'machinery and transport equipment' (-1.0%).
- **Imports:** Import prices dropped by 1.6% (-4.3% in March). Decrease of the total m-o-m import price index was driven mainly by a 1.5% drop in prices of 'machinery and transport equipment'. Significant price drops were recorded in 'manufactured goods, classified chiefly by material' (-1.9%), 'crude materials, inedible, except fuels' (-1.8%), prices of 'food and live animals' and 'mineral fuels' both dropped both by 1.5%. Prices were falling also in all other observed sections.
- The **terms of trade** figures decreased for the first time after six months to show negative value 99.7% in April (100.0% in March). Significant negative terms of trade figures were recorded for 'mineral fuels' (93.8%), 'chemicals' (98.1%) and 'manufactured goods classified chiefly by material' (98.9%). By contrast, positive values were recorded in 'crude materials, inedible, except fuels' (100.6%), 'machinery and transport equipment' (100.5%) and 'food and live animals' (100.4%).

Year-on-year comparison:

- **Exports:** export prices increased by 2.0% in April (+4.0% in March), their growth rate decreased for the second month in a row. Among important sections higher were prices in 'miscellaneous manufactured articles' and in 'machinery and transport equipment', both by 5.8%, the prices of 'manufactured goods classified chiefly by materials' increased by 3.6%. By contrast, more marked price drops were recorded in 'crude materials, inedible, except fuels' (-27.3%), 'mineral fuels' (-12.9%) and 'food and live animals' (-11.0%).
- **Imports:** import prices dropped after three months, by 1.3% (+0.4% in March). The decrease of the total y-o-y import price index was mainly affected by a 24.8% price decrease in 'mineral fuels'. Among sections important in terms of weight, the biggest price drops were recorded in 'manufactured goods classified chiefly by materials' (-3.2%) and 'chemicals' (-2.4%). By contrast, more significant price increases were observed in 'crude materials, inedible, except fuels' (+13.5%), 'miscellaneous manufactured articles' (+7.1%) and in 'machinery and transport equipment' (+4.6%).
- The **terms of trade** figures reached 103.3% in April (103.6% in March). Higher values of the terms of trade figures were recorded for 'mineral fuels, lubricants and related materials' (115.8%) and 'manufactured goods classified chiefly by material' (107.0%). The terms of trade figures of 'machinery and transport equipment' stood at 101.1%. By contrast, negative values were recorded in 'crude materials, inedible, except fuels' (64.1%), 'food and live animals' (87.1%) and 'chemicals and chemical products' (94.4%).

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 increased identically by 0.4 %.
- Price index of *international freight rail transport* (only for the Czech Republic) decreased in import direction by 1.1 %, in export direction by 1.6 % and in transit by 2.0 %.
- Prices of *international passenger air transport* decreased in the direction to the Czech Republic by 7.3 % and in the direction from the Czech Republic they did not change. Index of *freight air transport* decreased in the direction to the Czech Republic by 9.3 % and in the direction from the Czech Republic by 2.7 %.
- Prices of *external banking services* remained unchanged.

Year-on-year comparison:

- Prices of *international passenger rail transport* increased for the Czech Republic (assets) and so did prices of transit, both by 41.5 %, in the direction from the Czech Republic (liabilities) prices went up by 12.5 %.
- Price index of *international freight rail transport* (only for the Czech Republic) increased in export direction by 6.6 % and in transit by 7.4 %. In import direction price index decreased by 2.8%.
- Prices of *international passenger air transport* increased in the direction to the Czech Republic by 12.2 % and by 4.2 % in the direction from the Czech Republic. Prices of *freight air transport* went up in the direction to the Czech Republic by 7.7 % and in the direction from the Czech Republic they decreased by 2.4 %.
- Prices of *external banking services* did not change in year-on-year comparison.