

Short commentary

External trade - September 2009

According to preliminary data, seasonally adjusted exports dropped by 1.8% and imports by 1.0%, **compared with August 2009**. The development trend shows increasing exports by 0.6% and imports by 0.4%.

Compared with September 2008, exports and imports at current prices were down by 13.9% (CZK -31.1 bn) and 18.0% (CZK -38.4 bn), respectively. External trade has been declining incessantly for twelve months. Due to depreciation of the *koruna* against the two major currencies, external trade decreased markedly in euros (exports -16.8%, imports -20.8%) and in US dollars (exports -15.7%, imports -19.7%). September 2009 had the one working day less than September 2008.

The trade balance reached a surplus of CZK 17.8 bn and was by CZK 7.3 bn higher year-on-year. This was the biggest trade surplus in September and the third highest surplus since the establishment of the Czech Republic. A decline in deficit by CZK 4.3 bn in 'mineral fuels, lubricants and related materials' and a growth of surplus by CZK 1.4 bn in 'machinery and transport equipment' contributed decisively to the total trade balance improvement. Surplus rose also in trade in 'miscellaneous manufactured articles' by CZK 0.8 bn, 'crude materials, inedible, except fuels' by CZK 0.5 bn and 'manufactured goods classified chiefly by material' by CZK 0.4 bn. Deficit in trade in 'chemicals and related products' diminished by CZK 0.3 bn; and surplus in trade in 'beverages and tobacco' remained on the September 2008 level. Unfavourable development was recorded only in 'food and live animals' where deficit deepened by CZK 0.4 bn.

Total exports of 'machinery and transport equipment' were down by 12.4% (CZK -14.6 bn) of which the biggest drops were registered in 'general industrial machinery and equipment' (CZK -3.4 bn), 'office machines, automatic data-processing machines' (CZK -3.2 bn) and 'machinery specialized for particular industries' (CZK -2.7 bn). On the other hand, exports rose in 'road vehicles' (CZK +0.7 bn) and 'other transport equipment' (CZK +0.4 bn). Total imports of 'machinery and transport equipment' fell by 18.2% (CZK -16.0 bn). Imports fell in 'telecommunications and sound-recording equipment' (CZK -3.8 bn), 'machinery specialized for particular industries' (CZK -3.2 bn) and 'road vehicles' (CZK -2.4 bn). A decrease in exports of 'mineral fuels, lubricants and related materials' by 24.9% (CZK -5.3 bn) was mainly due to lower imports of crude petroleum and natural gas in value (by 33.3% and 4.3% respectively). In volume, imports of these two energy resources grew by 3.9% and 68.3% respectively.

The trade balance with EU member states was active by CZK 46.4 bn (surplus up by CZK 0.4 bn compared with September 2008) and the trade balance with non-EU countries was passive by CZK 28.6 bn (deficit improved by CZK 6.9 bn year-on-year). Trade gap narrowed in trade with China (by CZK 5.5 bn), Japan (by CZK 1.1 bn), Azerbaijan (by CZK 0.9 bn) and the Russian Federation (by CZK 0.3 bn). Surplus increased in trade with Germany (by CZK 4.4 bn), the United Kingdom (by CZK 1.7 bn) and Hungary (by CZK 1.3 bn). Balance deteriorated in trade with Poland by CZK 1.6 bn as surplus turned into a deficit; and surplus fell in trade with Slovakia (by CZK 1.3 bn), Switzerland (by CZK 1.2 bn) and the Ukraine (by CZK 1.0 bn).

In the **twelve months to August 2009**, compared with the previous twelve months, exports and imports were down by 16.4% and 17.2% respectively. The trade balance showed a surplus of CZK 102.4 bn, which was by CZK 1.9 bn higher. A long-term balance results were favourably influenced by decreases of deficit in 'mineral fuels lubricants and related materials' (by CZK -28.1 bn) and 'chemicals and related products' (by CZK -12.1 bn); and increases in surplus in trade in 'manufactured goods classified chiefly by material' (by CZK 16.3 bn), 'crude materials, inedible, except fuels' (by CZK 4.0 bn) and 'beverages and tobacco' (by CZK 1.0 bn). Negative influence on balance came from decreases in surplus in 'machinery and transport equipment' (by CZK 44.0 bn) and 'manufactured goods classified chiefly by material' (by CZK 11.4 bn) and a growth of deficit in trade in 'food and live animals' (by CZK 2.7 bn).

Trade surplus with EU member states went down by CZK 26.5 bn and trade gap with non-EU countries was by CZK 28.4 bn lower. Surplus rose with Germany (by CZK 51.8 bn); deficit decreased in trade with Japan (by CZK 13.5), Azerbaijan (by CZK 12.0 bn), the Russian Federation (by CZK 10.1 bn) and China (by CZK 9.7 bn). On the other hand, surplus fell in trade with Poland by CZK 15.2 bn, Romania (by CZK 10.7 bn), Slovakia (by CZK 9.2 bn) and Belgium (by CZK 8.7 bn). Balance deteriorated with Norway (by CZK 13.1 bn) as surplus turned into a deficit.

In **January-September 2009** exports and imports fell by 17.5% and 20.2%, respectively. The trade surplus reached CZK 117.7 billion and grew by CZK 35.1 billion in comparison with January - September 2008.

According to the CZSO's sources, the data were reported by 98.1% of firms (goods dispatched) and 97.9% 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.