

COMMENTARY

Trend in August 2010

Month-on-month comparison:

- **Exports:** export prices decreased by 1.6% in August (-1.6% in July). The fall of the total m-o-m export price index came mainly from a 2.0% price drop in 'machinery and transport equipment'. Among important sections, the price drops were recorded for prices of 'chemicals and related products' by 1.7%, 'miscellaneous manufactured articles' by 1.4%, 'manufactured goods classified chiefly by material' and 'mineral fuels, lubricants and related materials', both by 1.3%. The price rise was registered only in 'crude materials, inedible, except fuels' (0.9%).
- **Imports:** import prices went down by 1.2% (-1.4% in July). Decrease of the total m-o-m import price index was driven mainly by a 1.5% price drop in 'machinery and transport equipment'. The biggest price drops were registered in 'mineral fuels, lubricants and related materials', 'food and live animals', 'crude materials, inedible, except fuels' and 'chemicals and related products' by 2.0%, 1.9%, 1.6% and 1.4%, respectively. The prices in 'manufactured goods, classified chiefly by material' reached the same value as in previous month. There was no price growth recorded in any of observed groups.
- The **terms of trade** figures decreased slightly to 99.6% (99.8% in July) and for the tenth successive month remained in negative values. More significant negative values of the terms of trade figures were recorded for 'manufactured goods classified chiefly by material' (98.7%), 'machinery and transport equipment' (99.5%) and 'chemicals and related products' (99.7%). On the contrary, among important sections positive values of the terms of trade figures were registered in 'crude materials, inedible, except fuels' (102.5%), 'food and live animals' (101.7%) and 'mineral fuels, lubricants and related materials' (100.7%).

Year-on-year comparison:

- **Exports:** export prices rose for the fourth month, this time by 1.6 % (2.7% in July). The growth of the total y-o-y export price index was mainly affected by a 28.5% price increase in 'crude materials, inedible, except fuels' and 3.5% increase in 'manufactured goods classified chiefly by material'. More marked price increases were recorded in 'mineral fuels, lubricants and related materials' by 14.7%, 'chemicals and related products' by 6.2% and 'food and live animals' by 3.9 %. The prices in 'machinery and transport equipment' and 'miscellaneous manufactured articles' fell by 2.0% and 0.8%, respectively.
- **Imports:** import prices increased by 5.2% (5.9% in July). This increase was supported also by weakening of the koruna against dollar. The growth of the total y-o-y import price index came mainly from a 21.4% price increase in 'mineral fuels, lubricants and related materials' (natural gas and crude oil in particular). Price increases were also recorded in 'crude materials, inedible, except fuels' (29.3%), 'manufactured goods classified chiefly by material' (5.3%), 'machinery and transport equipment' (2.0%), 'chemicals and related products' (1.2%). Among important sections the price drop was observed only in 'miscellaneous manufactured articles' by 0.1%.
- The **terms of trade** figures decreased slightly to 96.6% (97.0% in July) and for the ninth month remained in negative values. The lowest values of the terms of trade figures recorded 'mineral fuels, lubricants and related materials' (94.5%), 'machinery and transport equipment' (96.1%), 'manufactured goods classified chiefly by material' (98.3%) and 'miscellaneous manufactured articles' (99.3%). Among sections important in terms of weight, positive values of the terms of trade figures reached 'chemicals and related products' (104.9%) and 'food and live animals' (100.7%).