

External trade in March 2008

According to preliminary data, seasonally adjusted exports decreased by 6.2% and imports by 9.0%, **month-on-month**. The trend component fell by 1.2% in exports and rose by 0.2% in imports.

Year-on-year, exports at current prices fell by 5.6% and imports by 2.4%. March results were influenced by the lower number of working days (March 2008 had two working days less than March 2007), Easter holiday and by the high comparative base of March 2007. Exports recorded the biggest fall since August 2002 and imports since May 2005. The year-on-year decreases of exports were last registered in January 2004 (-0.2%) and of imports in July 2005 (-2.0%). Due to appreciation of the *koruna* against the euro and even more against the US dollar, external trade grew faster in euros (exports +5.0% and imports +8.5%) and US dollars (exports +23.1%, imports +27.2%) than in *korunas*.

The trade balance reached a surplus of CZK 8.1 billion, which was by CZK 7.4 billion less, year-on-year, showing the biggest year-on-year fall since April 2003. Trade balance with EU states was active by CZK 41.1 billion and with non-EU states passive by CZK 33.0 billion.

Trade balance was negatively influenced by the fall of surplus of trade in 'machinery and transport equipment' (by CZK 4.9 billion) and by the growth of deficit of trade in 'mineral fuels, lubricants and related materials' (by CZK 3.7 billion). Surplus of trade in 'miscellaneous manufactured articles' dropped by CZK 0.9 billion and the trade balances of 'chemicals and related products', 'manufactured goods classified chiefly by material' and 'beverages and tobacco' remained on the same level as in March 2007. Trade balance improved in 'food and live animals' (deficit down by CZK 1.5 billion) and 'crude materials, inedible, except fuels' (surplus up by CZK 0.4 billion).

Total exports of 'machinery and transports equipment' fell by 6.0% (CZK 7.2 billion), of which the biggest decreases were recorded in 'road vehicles' (CZK 3.9 billion), 'other transport equipment' (CZK 1.1 billion) and 'general industrial machinery and equipment' (CZK 0.7 billion). Total imports of 'machinery and transport equipment' were down by 2.7% (CZK 2.3 billion) and the biggest decreases were registered in the same commodity groups as in exports. The biggest increase in imports was achieved in 'telecommunications and sound-recording equipment' (CZK 1.9 billion).

Higher imports of 'mineral fuels, lubricants and related materials' by 36.0% (CZK 5.2 billion) were mainly due to higher imports of crude petroleum (+44.7% in value, +6.2% in volume) and natural gas (+47.2% in value, +39.2% in volume).

By group of countries, trade surplus with EU states dropped by CZK 7.3 billion and trade deficit with non-EU states increased by CZK 9.5 billion. Trade surplus grew with France (by CZK 2.6 billion), Romania (by CZK 1.3 billion), Ukraine (by CZK 0.5 billion) and Poland (by CZK 0.4 billion). Trade balance improved with Finland (by CZK 0.4 billion) as deficit turned into a surplus. Trade deficit rose with the Russian Federation (by CZK 3.3 billion), China (by CZK 1.2 billion) and Japan (by CZK 0.8 billion). Trade surplus deteriorated with Kazakhstan (by CZK 0.9 billion), Serbia (by CZK 0.8 billion) and the United States (by CZK 0.6 billion) as surplus turned into a deficit. Trade surplus fell with Austria (by CZK 0.6 billion), Germany (by CZK 0.5 billion) and Slovakia (by CZK 0.1 billion).

In the **twelve months to March 2008**, compared with the previous twelve months, exports and imports grew by 12.0% and 11.1%, respectively. The trade balance reached a surplus of CZK 81.4 billion, which was an improvement of CZK 27.5 billion.

Favourable development was reported for trade in 'machinery and transport equipment' (surplus up by CZK 36.8 billion), 'crude materials, inedible, except fuels' (surplus up by CZK 8.6 billion), 'food and live animals' (deficit down by CZK 2.8 billion), 'animal and vegetable oils, fats and waxes' (deficit down by CZK 1.2 billion) and 'beverages and tobacco' (improvement by CZK 1.2 billion as deficit turned into a surplus). Trade balance deteriorated in 'chemicals and related products' (deficit up by CZK 12.2 billion), 'manufactured goods classified chiefly by material' (surplus down by CZK 8.0 billion) and 'miscellaneous manufactured articles' (surplus down by CZK 2.3 billion) and 'mineral fuels, lubricants and related materials' (deficit up by CZK 0.4 billion).

By group of countries, trade surplus with EU states rose by CZK 65.5 billion and trade deficit with non-EU states increased by CZK 38.0 billion. Deficit decreased in trade with the Russian Federation (by CZK 21.0 billion); and surplus rose in trade with Slovakia (by CZK 15.3 billion), France (by CZK 12.8 billion), the United Kingdom (by CZK 10.3 billion), Italy (by CZK 7.8 billion), Poland (by CZK 7.3 billion) and Germany (by CZK 1.0 billion). Trade balance improved with the Netherlands (by CZK 7.1 billion) and Norway (by CZK 6.7 billion) as deficit turned into a surplus. Trade deficit grew with China (by CZK 48.5 billion), Japan (by CZK 15.8 billion), Thailand (by CZK 7.0 billion), Korea (by CZK 5.4), Ireland (by CZK 5.0 billion) and the United States (by CZK 5.4 billion). Trade surplus fell with Austria (by CZK 8.1 billion) and Hungary (by CZK 6.6 billion).

January-March 2008 exports and imports grew by 5.1% and 6.1%, respectively. The trade surplus of CZK 34.6 billion was by CZK 3.5 billion higher, year-on-year.

According to the note of the Directorate General of Customs, data were received from 94.5 % of the companies obliged to report to the Intrastat system.

Data on companies exempted from the reporting duty (those whose annual value of trade with the EU member states was below CZK 4 million for goods dispatched and below CZK 2 million for goods received) and data on companies that failed to report were imputed. The imputation methods are based on data that the companies supplied in the previous period and on data from tax returns.