

External trade in December 2008

According to preliminary data, seasonally adjusted exports fell by 7.8% while imports grew by 0.1%, **month-on-month**. The development trend shows decreasing exports (-3.5%) and imports (-1.4%).

Year-on-year, exports and imports at current prices were down by 13.4% and 8.2%, respectively, which represents the highest December year-on-year fall since 1994. Exports and imports have been declining for the last three successive months. December 2008 was by two working days longer than December 2007. Due to slight appreciation of the *koruna* against euro and depreciation against US dollar, external trade decrease was lower in euros (exports -12.8%, imports -7.5%) and higher in US dollars (exports -19.8%, imports -15.0%).

The trade balance ended in a deficit of CZK 11.8 billion, which was by CZK 9.0 billion worse result year-on-year and the biggest December trade gap since 2003. December trade balance has always been negative in the history of the Czech Republic. The trade balance with EU member states was active by CZK 22.9 billion and with non-EU countries passive by CZK 34.7 billion. A decrease of CZK 7.1 billion in surplus in 'machinery and transport equipment' contributed primarily to the higher total trade deficit. Trade deficits in 'mineral fuels, lubricants and related materials' and 'crude materials, inedible, except fuels' were up by CZK 2.9 billion and CZK 0.5 billion, respectively. Trade balance in 'miscellaneous manufactured articles' deteriorated by CZK 1.5 billion as surplus turned into a deficit. A CZK 1.6 billion fall in deficit in 'chemicals and related products' and improvement of balance (due to deficit turning into a surplus) in 'beverages and tobacco' by CZK 1.0 billion and in 'manufactured goods classified chiefly by material' by CZK 0.7 billion affected the total trade balance favourably. Trade balance in 'food and live animals' remained roughly at the level of December 2007.

Total exports of 'machinery and transport equipment' fell by 20.1% (CZK -20.2 billion). The highest exports decreases were registered in 'road vehicles' (CZK -10.0 billion), 'telecommunications and sound-recording equipment' (CZK -3.4 billion) and 'electrical machinery, apparatus and appliances' (CZK -3.2 billion). Total imports of 'machinery and transport equipment' decreased by 16.1% (CZK -13.1 billion); considerable import decreases showed 'road vehicles' (CZK -4.6 billion), 'electrical machinery, apparatus and appliances' (CZK -2.1 billion) and 'general industrial machinery and equipment' (CZK -1.9 billion). Imports of 'mineral fuels, lubricants and related materials' grew by 18.9% (CZK +3.4 billion) mainly due to higher imports of crude petroleum (+34.1% in value, +58.1% in volume). Imports of natural gas increased by 66.4% in value and dropped by 1.2% in volume.

By group of countries, trade surplus with EU member states fell by CZK 2.9 billion and trade deficit with non-EU countries increased by CZK 6.1 billion. Trade surplus grew with Germany (by CZK 2.0 billion), the Netherlands (by CZK 1.4 billion), Slovakia (by CZK 1.1 billion) and Austria (by CZK 1.0 billion). Trade deficit fell with Japan (by CZK 1.7 billion) and the United States (by CZK 0.6 billion). Trade deficit grew with China (by CZK 2.8 billion) and the Russian Federation (by CZK 2.1 billion). As surplus turned into deficit the trade balance deteriorated with Norway (by CZK 1.7 billion), Spain (by CZK 1.4 billion), Hungary and Italy (both by CZK 1.2 billion). Trade surplus dropped with Sweden (by CZK 1.2 billion) and Belgium (by CZK 1.0 billion).

In the **year 2008**, compared with the previous twelve months, exports fell by 0.7% and imports rose only by 0.1% respectively. The trade balance reached a surplus of CZK 69.4 billion, which was by CZK 18.5 billion down year-on-year. Trade balance improved in 'machinery and transport equipment' (surplus up by CZK 15.6 billion), 'manufactured goods classified chiefly by material' (surplus up by CZK 8.9 billion), 'beverages and tobacco' (improvement by CZK 5.0 billion owing to deficit turning into a surplus) 'food and live animals' (deficit down by CZK 4.4 billion), and 'chemicals and related products' (deficit down by CZK 4.3 billion). Trade balance deteriorated in 'mineral fuels, lubricants and related materials' (deficit up by CZK 41.8 billion), 'miscellaneous manufactured articles' (surplus down by CZK 10.9 billion) and 'crude materials, inedible, except fuels' (surplus down by CZK 3.4 billion).

By group of countries, trade surplus with EU member states rose by CZK 71.1 billion and trade deficit with non-EU countries increased by CZK 89.6 billion. Surplus rose in trade with Germany (by CZK 25.6 billion), France (by CZK 9.5 billion), Poland (by CZK 8.8 billion), Slovakia (by CZK 7.6 billion), Austria (by CZK 5.6 billion) and Romania (by CZK 3.8 billion). Trade balance improved with the Netherlands (by CZK 18.9 billion) where deficit turned into a surplus. Trade deficit grew with the Russian Federation (by CZK 29.4 billion), China (by CZK 25.6 billion), Azerbaijan (by CZK 5.0 billion) and Kazakhstan (by CZK 4.8 billion). Trade balance deteriorated with Norway (by CZK 7.8 billion) as surplus turned into a deficit; and surplus decreased with Spain (by CZK 6.2 billion), Hungary (by CZK 4.5 billion) and Belgium (by CZK 4.2 billion).

According to the note of the Directorate General of Customs, data were received from 95.9 % 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.