April 16, 2014

Terms of trade switched to negative values after six months, y-o-y

Export and import price indices – February 2014

In January 2014, export prices decreased by 0.3%, import prices by 0.2%, month-on-month, the terms of trade figures reached 99.9%, m-o-m. Export prices increased by 4.4%, import prices by 2.9%, the terms of trade reached 101.5%, year-on-year.

# Month-on-month comparison:

**Exports:** export prices fell 0.3% in February (-0.4% in January). The change of the total m-o-m export price index was driven mainly by a 0.3% price drop in ‘machinery and transport equipment’. Among important sections biggest price drop occurred in ‘mineral fuels, lubricants and related materials’ (-2.3%), ‘crude materials, inedible, except fuels’ (-0.5%) and ‘chemicals and related products’ (-0.4%). Prices of ‘miscellaneous manufactured articles’ and ‘manufactured goods classified chiefly by material’ grew both 0.1%.

**Imports:** import prices decreased by 0.2% (-0.4% in January). The change of the total m-o-m import price index was driven mainly by a 0.1% price drop in ‘machinery and transport equipment’. Another price drop was registered in prices of ‘mineral fuels, lubricants and related materials’ (-0.8%), ‘manufactured goods classified chiefly by material’ (-0.5%), ‘miscellaneous manufactured articles’ (-0.3%) and ‘chemicals and related products’ (-0.3%). There was no price growth in any of observed groups.

The **terms of trade** figures decreased to 99.9% (100.0% in January) switching to negative values after six months. Lowest negative values reached prices of ‘mineral fuels, lubricants and related materials’ (98.5%), ‘crude materials, inedible, except fuels’ (99.7%) and ‘machinery and transport equipment’ (99.8%). Highest positive values among important sections reached ‘manufactured goods classified chiefly by material’ (100.6%) and ‘miscellaneous manufactured articles’ (100.4%).

# Year-on-year comparison:

**Exports:** export prices increased by 4.4% (+4.7% in January) due to weakening of koruna against Euro and dollar. The change of the total y-o-y export price index was driven mainly by a 4.8% price growth in ‘machinery and transport equipment’. Prices in ‘miscellaneous manufactured articles’ and ‘manufactured goods classified chiefly by material’ grew 5.9% and 5.6%, respectively. Prices of ‘mineral fuels, lubricants and related materials’ decreased by 3.0%.

**Imports:** import prices rose 2.9% (+2.9% in January). Change of the total y-o-y import price index came mainly from a 3.8% price growth in ‘machinery and transport equipment’. Prices of ‘food and live animals’, ‘crude materials, inedible, except fuels’, ‘miscellaneous manufactured articles’ and ‘manufactured goods classified chiefly by material’ increased by 8.2%, 3.9%, 3.3% and 3.1%, respectively. Prices of ‘mineral fuels, lubricants and related materials’ decreased by 2.0%.

The **terms of trade** figures decreased to 101.5% (101.7% in January) staying in positive values for fourteenth month. Among important sections, highest positive values of the terms of trade figures were registered in ‘miscellaneous manufactured articles’ (102.5%), ‘manufactured goods classified chiefly by material’ (102.4%) and ‘machinery and transport equipment‘ (101.0%). Lowest negative values of the terms of trade figures reached ‘food and live animals’ (93.3%) and ‘mineral fuels, lubricants and related materials’ (99.0%).

Notes:

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Method of data collection: Selective survey of the CZSO

End of data collection: 16th calendar day after the reference month

Related publications: 013012-14 Import and Export Price Indices in the Czech Republic <http://www.czso.cz/csu/2014edicniplan.nsf/engp/013012-14>

Specific methodical notes: The data released are final.

Next News Release: 19 May 2014

Annexes:

Table 1 Prices of exports and imports of goods (indices)

Table 2 Prices of exports and imports of goods

(published and exchange rate adjusted decomposition of increases – month-on-month, year-on-year)

Graph 1 Prices of exports and imports of goods (year-on-year changes)

Not edited for language.