7 October 2020

A Positive Trade Balance despite a Decrease of Exports and Imports

## International Trade in Goods (change of ownership) – August 2020

**According to preliminary data in current prices, the trade balance of goods in August 2020 ended in a surplus of CZK 7.6 bn. However, the result was CZK 1.6 bn worse, year−on−year (y−o−y).**

Total balance of international trade1) in goods2) was negatively influenced mainly by a decrease of surplus in 'manufactured products’ by CZK 6.0 bn. The main reason was a decrease in the positive balance of motor vehicles by CZK 5.0 bn and the y−o−y larger deficit in balance of 'computer, electronic and optical products' by CZK 4.6 bn.

The total balance was favourably affected by a lower y-o-y deficit of international trade in 'crude petroleum and natural gas' by CZK 3.8 bn (the impact of falling prices on world markets) as well as by a lower deficit in the balance of 'basic metals' by CZK 2.6 bn. The increase in the surplus of 'machinery and equipment' by CZK 1.4 billion also had a positive effect on the balance.

In August 2020, the trade balance with the EU273) Member States was by CZK 1.5 bn lower, y−o−y and ended in a surplus of CZK 44.2 bn. The international trade balance with neighboring countries deteriorated slightly, with the exception of Slovakia. For the trade balance with Slovakia, there was a slight improvement in the markedly positive balance.

There was also a slight y-o-y decrease in the international trade with non−EU27 countries by CZK 0.3 bn. The mutual trade deficit thus increased to CZK 35.3 bn.

**Compared to July 2020**, the seasonally adjusted exports and imports fell by 2.7% and 0.2%, respectively. The trend shows a marginal increase in exports (+0.7%) and imports (+1.4%).

Compared to the same month in 2019, August exports decreased by 5.4% to CZK 261.7 bn and imports fell by 4.9% to CZK 254.1 bn. August 2020 had one working day less than August 2019.

In the period from **January to August 2020**, the trade balance surplus reached CZK 71.1 bn, which represented a decrease by CZK 41.6 bn, y−o−y. From the beginning of the year, exports and imports went down by 11.0% and 9.7%, respectively, y−o−y.

Detailed information on international trade in goods (change of ownership) can be found at:

<https://www.czso.cz/csu/czso/external_trade_in_goods_according_to_the_change_of_ownership_-national_concept-_>.

*Beware of the terminology change:*

*Since 2020, the Czech Statistical Office (CZSO) has changed the terminology and the manner in which dat*a is presented. The external trade is now referred to as international trade. The data based on the change of ownership between residents and non-residents (former so-called the 'national concept of external trade'), from now on, is referred to as 'international trade in goods (change of ownership)'. The 'cross-border concept of external trade' is referred to Cross-border movements of goods.

Further information: [*https://www.czso.cz/csu/czso/changes-in-international-trade-statistics*](https://www.czso.cz/csu/czso/changes-in-international-trade-statistics)*.*

Notes:

*1) The* ***international trade balance*** *is the difference between exports from the Czech Republic and import to the Czech Republic*

*2) The* ***international trade in goods (change of ownership)*** *reflects export and import performance of the Czech economy, i.e. the international trade balance of the Czech Republic as well. It measures real trade in goods carried out between Czech entities and foreign ones, i.e. the change of ownership between residents and non-residents.*

*3) The* ***EU27*** *- from 1 February 2020 the United Kingdom is not a member of the European Union.*

*Data for companies, which are subject to the reporting duty and which failed to report data (non-response), has been imputed according to dispatches and receptions these companies reported in the previous period. Data for companies exempted from the reporting duty were estimated on the basis of the data given in the VAT return forms. The data, which were not available from the VAT return forms, are estimated on the basis of the values for previous periods.*

***Data for 2018 and 2019 are final; data for respective months of 2020 are preliminary.***

*When data for the reference month is published, six previous months are updated. All months with preliminary data are updated when data for January, March and July is published. Final data is published always in September of the following year.*

*Responsible head at the CZSO: Miluše Kavěnová, Director of International Trade Statistics Department, phone* *number*

 *(+420) 274 054 176*

 *e-mail:* *miluse.kavenova@czso.cz*

*Contact person: Stanislav Konvička, Head of Trade Balance Unit, phone* *number (+420) 274 054 254*

 *e-mail:* *stanislav.konvicka@czso.cz*

*Method of data collection: Intrastat forms and single administrative documents and value added tax return forms*

*End of data collection: 20th working day after the end of the reference month*

*Following data set:* [*https://www.czso.cz/csu/czso/vzonu\_ts*](https://www.czso.cz/csu/czso/vzonu_ts)

*Next News Release will be published on: 6 November 2020*

Annex:

Chart 1 Balance of international trade in goods (total trade balance, trade balances with the EU27 Member States and non−EU27 countries)