13 August 2020

Import Prices Kept Decreasing

Export and Import Price Indices – June 2020

In June 2020 export prices and import prices decreased month-on-month by 1.8% and 2.2%, respectively. The terms of trade reached the value of 100.4%. Export prices increased year-on-year by 2.0% and import prices decreased by 1.5%, y-o-y. The terms of trade reached the value of 103.6%.

**Month-on-Month Comparison**

**Export prices**, mainly due to the strengthening of the CZK to EUR and USD, decreased by 1.8% (prices didn’t change after adjusting for exchange rate effects), month-on-month (m-o-m) in June 2020. The fall in the monthly export price index was essentially affected by a decrease in prices of ‘machinery and transport equipment’ by 1.7%. Price decline was recorded in ‘manufactured goods classified chiefly by material’, especially iron and steel, ‘chemicals and related products’ and ‘miscellaneous manufactured articles’ by 2.6%, 2.4% and 1.9%, respectively. Only the prices of ‘mineral fuels, lubricants and related materials’, especially petroleum products, increased by 7.3%.

**Import prices** decreased by 2.2% (prices fell after adjusting for the exchange rate effect by 0.2%), m-o-m, in June 2020. The greatest effect on an overall fall in the monthly import price index was brought mainly by a decrease in ‘machinery and transport equipment’ by 2.3%. Prices declined the most in ‘mineral fuels, lubricants and related materials’, especially gas, ‘crude materials, inedible, except fuels’, ‘chemicals and related products’ and in ‘food and live animals’ by 2.8%, 2.4%, 2.3% and 2.2%, respectively. Prices didn’t increased in any of the monitored SITC classification.

The **terms of trade** reached the value of 100.4%. The most positive values of the terms of trade were reached in ‘mineral fuels, lubricants and related materials’ (110.4%), ‘machinery and transport equipment’ (100.6%) and in ‘food and live animals’ (100.4%). On the contrary, the negative values of the terms of trade were reached in ‘crude materials, inedible, except fuels’ (98.5%) and in ‘manufactured goods classified chiefly by material’ (99.4%).

**Year-on-Year Comparison**

**Export prices**,mainly due to the weakening of the CZK to EUR and USD, increased by 2.0%, year-on-year (y-o-y) (in May 2020 by 2.8%). The growth in the export price index was essentially affected by an increase in prices of ‘machinery and transport equipment’ by 4.3%. Prices increased the most in ‘beverages and tobacco’ by 6.9%, then they rose in ‘miscellaneous manufactured articles’ and in ‘food and live animals’ by 4.2% and 4.1%, respectively. Prices decreased in ‘mineral fuels, lubricants and related materials’, especially petroleum products, and in ‘crude materials, inedible, except fuels’, especially crude rubber and metal scrap, by 20.6% and 8.5%, respectively.

**Import prices** decreased by 1.5%, y-o-y (in May 2020 by 0.7%). The fall in prices of ‘mineral fuels, lubricants and related materials’ by 41.5%, especially petroleum and petroleum products, had the strongest effect on the decrease of the annual import price index. Prices declined in ‘crude materials, inedible, except fuels’ and in ‘chemicals and related products’ by 3.9% and 3.4%, respectively. On the contrary, price growth was recorded in ‘food and live animals’, ‘machinery and transport equipment’ and in ‘miscellaneous manufactured articles’ by 4.6%, 3.8% and 2.5%, respectively.

The **terms of trade** increased to the value of 103.6% (they reached 103.5% in May 2020) and for the fourth month they remained in positive values. The highest positive values of the terms of trade were reached in ‘mineral fuels, lubricants and related materials’ (135.7%), ‘beverages and tobacco’ (108.5%) and in ‘miscellaneous manufactured articles’ (101.7%). On the contrary, negative values of the terms of trade were recorded in ‘crude materials, inedible, except fuels’ (95.2%) and ‘food and live animals’ (99.5%).

Notes:

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Data source: Sample survey of the CZSO

End of data collection: 15th calendar day after the reference month end

Related Internet-published document: 013014-20 Import and Export Price Indices in the Czech Republic
<https://www.czso.cz/csu/czso/export-and-import-price-indices>

Specific methodical notes: The data published in the News Release are final data.

Next News Release shall be published on: 10 September 2020

Annexes:

Table 1 Export and Import Price Indices

Table 2 Export and Import Price Indices (breakdown of increments of published and exchange rate adjusted indices – month-on-month, year-on-year)

Chart Export and Import Price Indices (year-on-year changes)