December 7, 2021

Trade Balance Affected by a Higher Value of Fossil Fuels Imports

**International Trade in Goods (change of ownership) –**

October 2021

According to preliminary data in current prices, the trade balance of goods in October 2021 ended in a deficit of CZK 18.2 bn, which was by CZK 49.4 bn worse result, year−on−year (y−o−y).

The total balance of international trade1) in goods2) was **negatively affected** mainly by a y−o−y increase of the trade deficit in 'crude petroleum and natural gas' by CZK 19.8 bn due to the impact of rising prices on world markets and higher imported quantities. Further, the trade surplus in 'motor vehicles, trailers and semitrailers' fell by CZK 13.8 bn and the trade gaps in 'computer, electronic and optical products' and 'basic metals' deepened by CZK 5.7 bn and CZK 5.3 bn, respectively. Surplus in 'machinery and equipment' decreased by CZK 3.2 bn.

The total balance was **favourably influenced** mainly by a larger trade surplus in commodities in division 'electricity, gas and steam' by CZK 5.2 bn due to a growth of price and higher exported quantities of electricity and 'waste products' by CZK 1.1 bn. The trade deficit in 'basic pharmaceutical products' decreased by CZK 1.3 bn.

**Y−o−y,** **exports** decreased by 7.5% to CZK 331.6 bn, while **imports** grew by 6.9% to CZK 349.8 bn. October 2021 had one working day less than October 2020.

In the period from **January to October 2021,** the trade balance surplus reached CZK 10.1 bn, which represented a decrease by CZK 121.9 bn, y−o−y. From the beginning of the year, exports and imports grew by 14.0% and 19.2%, respectively, y−o−y.

**Month-on-month**, the seasonally adjusted **exports** and **imports** grew by 2.7% and 2.3%, respectively. The trend shows stagnating exports and increasing imports (+0.5%).

In October 2021, the trade balance with the **EU273)** Member States ended in a surplus of CZK 61.9 bn, which was CZK 16.0 bn lower, y−o−y. The biggest decreases of surplus were seen in trade with Germany (by CZK 8.9 bn), France (by CZK 4.0 bn) and Spain (by CZK 1.7 bn).

In October 2021, exports to **Eurozone** countries constituted 66.3% of all Czech exports; imports from Eurozone countries to the Czech Republic constituted 46.0% of all Czech imports. Y−o−y, exports to the Eurozone fell by 5.1% (CZK −11.8 bn) to CZK 219.7 bn; imports from the Eurozone increased by 1.9% (CZK +3.0 bn) and reached CZK 160.9 bn. In October 2021, the Czech crown strengthened against the Euro on average by 6.7%, y−o−y.

The trade deficit with **non−EU27** countries increased by CZK 33.6 bn to reach an amount of CZK 78.1 bn. The trade balance deteriorated with the Russian Federation by CZK 18.8 bn and Turkey by CZK 2.5 bn as a surplus turned into a deficit. The trade deficit grew with China by CZK 5.8 bn.

Methodological note:

Since 2020, the Czech Statistical Office (CZSO) has changed the terminology and the manner in which data 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%20)

Notes:

*1)* *The* ***international trade balance*** *is the difference between exports from the Czech Republic and imports 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 has not been 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 respective months of 2021 is preliminary; data up to and including year 2020 is final.*** *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.*

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*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 sets:* [*https://www.czso.cz/csu/czso/vzonu\_cr*](https://www.czso.cz/csu/czso/vzonu_cr)

*Next News Release will be published on: January 7, 2022*

*Annex:*

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