



**ÚZEI**

ÚSTAV ZEMĚDĚLSKÉ EKONOMIKY  
A INFORMACÍ

**ROČENKA AGRÁRNÍHO ZAHRANIČNÍHO OBCHODU ČR  
ZA ROK 2010**

**AGRARIAN FOREIGN TRADE YEARBOOK 2010**

**(informační studie)**

**Praha, 2012**

## EXECUTIVE SUMMARY

The value of Czech agrarian exports increased by 13.9 % to 105.4 billion CZK whereas the value of Czech agrarian imports rose by 14.7 % to 140.0 billion CZK in 2010 as compared with the average of the period of 2005-09. As a result, passive agrarian trade balance increased by 5.1 billion CZK to 34.6 billion CZK, which is the highest value up to now. The development of trade deficit during the monitored period was irregular but growing trend was visible.

The territorial structure of Czech agrarian trade is relatively stable and no important changes occurred in 2010. The Czech agrarian trade is concentrated especially on EU-27 countries. The EU-27 participation in the Czech agrarian exports and imports was dynamically increasing after the accession of the Czech Republic to the EU, and then it was rather stagnating. The EU shares reached 85.3 % on the import side and 91.5 % on the export side in 2010. Both the EU-15 and the EU-12 participation in the Czech agrarian exports and imports were higher in 2010 in comparison to the average of the period of 2005-09. It is important to add that the territorial structure of Czech agrarian imports is analyzed by “country of origin”, and not by “country of consignment”.

In the long run, the most important suppliers of agrarian products to the Czech Republic are Germany (23 % in 2010), Poland (14.7 %), Slovakia (7.7 %), Netherlands (7.1 %) and Italy (5.7 %). Since 2008, the main buyers of agrarian products from the Czech Republic have been Slovakia (27.7 % in 2010), Germany (19.9 %), Poland (9.9 %), Italy (7 %) and Austria (6.2 %).

Relatively less important Czech agrarian trade with the third countries proves more substantial year-to-year fluctuation of import and export values, as well as more considerable changes in its territorial structure. Within the extra-trade, Russia is the most important destination for Czech agrarian products and the most crucial suppliers are Brazil and China. Position of the United States, which is another important non-EU partner, was weakened as a consequence of the increasing Czech agrarian imports from Brazil and China.

Czech agrarian trade has the biggest trade balance deficit in relation to Germany, Poland, Netherlands, Spain, Belgium, Brazil and France. On the other side, the biggest trade surplus is usually reached in the trade with Slovakia, Russia, the United Kingdom, Romania, Slovenia, Croatia and Japan. Within the extra-trade, Czech agrarian net export is realized more frequently than net import. The exceptionally active trade balance with Austria in 2010 was caused by high exports of “*rapeseed and mustard oil*” from the Czech Republic to this country.

Competitive products of CN 02 “*Meat and edible meat offal*” chapter contribute (side by side with noncompetitive goods of CN 08 “*Fruit and nuts*” and CN 07 “*Vegetables*”

chapters) to the Czech agrarian trade deficit in the largest degree. Particularly Czech imports of “*meat of swine*”, whose main supplier is Germany, increased from 5.4 billion CZK in 2005 to 9.7 billion CZK in 2010. However, there is an apparent fall of increasing dynamics in 2010. Czech exports (both value and volume) of “*meat of swine*”, which are disproportionately lower than Czech imports and are aimed mainly to Slovakia, decreased to 1.9 billion CZK for the first time in 2010.

The value of Czech vegetable imports increased mainly as a result of higher import prices in 2010. Vegetable prices in the Czech Republic, as well as in Europe, were influenced by smaller production and by very low producer price level in the previous year. “*Tomatoes*”, “*peppers*” and “*cucumbers and gherkins*” are the main imported kinds of vegetables to the Czech Republic. Their leading suppliers are traditionally Spain and Germany. It is necessary to remark that Czech imports of in other respect competitive kinds of vegetables as onion, cabbage and carrot rose in 2010, too. The year 2010 was not favorable for Czech fruit producers either. Low production of stone fruit and pomiferous fruit in 2010 led to year-on-year increase of both imports of temperate zone fruit and import prices of the majority of kinds mentioned. Imported volumes of “*bananas*” and “*citrus fruit*”, which are the main imported fruits to the Czech Republic, increased.

“*Cigarettes*” became the most important Czech agrarian export and net export commodity in 2008 but it is not a typical agrarian product. “*Cigarettes*” are exported mainly to Italy and also to the United Kingdom and Slovakia.

The level of the Czech agrarian trade deficit is to a high degree influenced by net exports of *CN 10 “Cereals”* and *CN 12 “Oil seeds and oleaginous fruit”*. These chapters participated in the Czech agrarian exports up to 15 % in some years (12.4 % in 2010). The Czech Republic has comparative advantages in cereals and oil plants, and balance surpluses which are caused by the reduction of livestock production contribute to high exports, too. Average export prices of most cereals and of rapeseed showed certain recovery in 2010 (after considerable fall in 2009 from extremely high price level in 2008). “*Wheat*”, “*barley*”, “*corn*” and “*rapeseed*” are exported mainly to Germany.

Unfavorable development of exports and mainly net exports was noticed in the cases of traditional Czech products. The active trade balance of beer worsened again in 2010 as a result of decreasing export value (though export prices rose) together with dynamically increasing import value (though import prices descended). Poland became the major supplier of beer to the Czech Republic in 2010. Import from this country was taken at the lowest average price. It is possible to say that this may not be a single deviation but a long-term tendency which is influenced, among others, by the recession that started in 2008.

A year-to-year decrease of “*hops*” export value in 2010 was caused by lower prices, whilst volume of these exports, as a result of high crop in 2008 and 2009, increased. Low “*hops*” export prices were influenced by huge supply supported by the development

of exchange rates of Czech Crown to Euro and Yen (Czech hops is sold primary to Japan and Germany).

The “*malt*” export value decreased year-on-year in 2010 whereas its export volume rather stagnated. In 2010, as well as in previous years, Czech “*malt*” was exported to Poland and Germany above all. Value of “*malt*” exports to Romania registered a substantial year-on-year decrease in 2010.

Despite the obvious withdrawal from the leading position, dairy products belong to the most important Czech agrarian export commodities. In 2010, only the export values of “*cheese and curd*” and “*whey*” increased (“*whey*” is not such an important item in the total Czech trade, rather within the intra-trade). A slight increase of export values of “*not concentrated milk and cream*” (represented mainly by raw milk) and of “*concentrated milk and cream*” was caused by high export prices. At the same time, export volumes of these two commodity aggregates decreased by 10 % and 16 %, respectively. Raw milk is exported mainly to the Germany whereas “*concentrated milk and cream*” aims also to third countries to a large degree (for example to Lebanon, Thailand and Croatia). Exports to the third countries are still partially subsidized in some years. An exception was the year 2008 when dairy products’ prices on world markets were higher than those in the EU.

The rise in world sugar price to its historical maximum so far provoked by increasing demand and consumption (among others as a result of non-food use) and by the decrease of world sugar stocks caused the year-on-year growth of Czech sugar exports. Czech sugar was exported mainly to Austria, Germany and Slovakia in last three monitored years.

Different development was registered within the trade in *CN 15 “Animal or vegetable fats and oils”* chapter. Because of the decrease in import value and of the more substantial increase in export value, the exceptionally passive balance of “*rapeseed and mustard oil*” changed into the active balance of 3 billion CZK year-to-year in 2010, which is the historical maximum. Main buyers of “*rapeseed and mustard oil*” from the Czech Republic were Austria and Slovakia in 2010. Imports of “*margarine*” have been increasing fluently since 2008 whereas its exports have been decreasing more dynamically at the same time. Finally, “*margarine*” trade balance became passive in 2009, and in 2010 it reached 1.2 billion CZK. “*Soya-bean oil*” imports and net imports were extremely low in 2010.

It is necessary to note that the presented development of the total Czech agrarian external trade within the more detailed commodity aggregates is based on data “without adjustments”. This means that these data do not include trading operations of intra-Community dispatches and arrivals carried out by persons who are not registered for VAT and by the reporting units below the applicable threshold which is CZK 8 million a year for both flows since 2009. In 2010, amount of these operations represented 3.6 % in Czech agrarian exports and 4.0 % in Czech agrarian imports, but it could be substantially higher at the level of individual commodities.