

COVID and Import Structure of the Czech Republic

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Abstract

The overview article concerns about COVID and structure of import to the Czech Republic before COVID period and during COVID period. The article investigates if there are any significant changes. The article also investigates if the import structure to the Czech Republic changed if the pre-COVID period and COVID period is compared in importing more packed medicaments and health supplies such as mask

Keywords: COVID; Czech Republic; Import; Structure

1. Introduction

The overview article aims at defining the structure of Import of the Czech Republic during the COVID-19 crisis. The COVID-19 pandemic situation changed the Economics in many countries, even in the Czech Republic. The overview article aims at comparing of structure of import of the Czech Republic in two periods, especially 2018-2019 (pre-COVID period) and 2020 and 2021 (COVID period).

2. Methodology

The article is written with methodology of comparison, literature overview and data. The data provided by the official offices are used, such as data issued by Czech Statistical Office. The methodology used is following:

- The Literature overviews of the topic,
- Development of import in the pre-COVID era (2018-2019),
- Development of import in COVID era (2020 and 2021),
- Comparison and conclusion on how the import is impacted by COVID.

3. Literature overview

The main aim of the overview article is to investigate the pre-COVID period and COVID period from the point of view of importing commodities from abroad to the Czech Republic. The following hypotheses are set:

1. Hypothesis no. 1: the import structure changed if the pre-COVID period and COVID period is compared in importing more packed medicaments and health supplies such as mask (change at least 5% in the import share).
2. Hypothesis no.2: the structure of main import commodities has not changed significantly (vehicles parts, broadcasting equipment and office machine's part are among top 5 import commodities in pre-COVID and COVID period).

The import is a part of foreign trade (with export). In general, Import is a good which enter the country or the market from the outside (International Monetary Fund, 2014, p. 76). Imported goods, services or materials may be subject of special tariffs, however this may not apply when the country has a special agreement such as bilateral trade agreement (BusinessInfo, 2010).

Import is the transition of goods and services from another state to the domestic economy. This may be defined for example as crossing of goods across borders from abroad to a given state. Import is a basic part of the classical concept of foreign trade (Štěrbová, 2013, p. 16). The basic characteristics of import follow:

- Imports together with exports are part of the result of foreign trade, where both aspects must be taken in four sectoral economies from a comprehensive point of view, in the form of net exports, in which exports are deducted from imports (Štěrbová, 2013, p. 16).
- Import is part of functions that have to do with foreign trade, such as growth functions (Štěrbová, 2013, p. 20-25).
- Import is also part of the indicator of the total foreign trade balance, where the balance is the difference between exports and imports (Český statistický úřad, 2020a).

4. Structure of Import of the Czech Republic in pre-COVID period of 2018-2019

In the year of 2018 the Czech Republic imported vehicles parts (5,68% of total import), broadcasting equipment (4,73%), office machine parts (3,82%), cars (2,56%), computers (2,47%), packaged medicaments (2,2%), crude petroleum (1,96%), integrated circuits (1,87%), wires (1,68%) and refined petroleum (1,45%).

Among the import partners in year of 2018, the Czech Republic imported mainly from Germany (27,6%), China (10,5%), Poland (9,01%), Slovakia (5,91%), Italy (4,24%), Netherlands (4,02%) and Austria (3,54%).

The following year, 2019, the Czech Republic imported especially broadcasting equipment (5,77%), vehicles parts (5,71%), office machine parts (3,28%), computers (2,75%), cars (2,67%), packed medicaments (2,36%), crude petroleum (1,78%), integrated circuits (1,76%), wires (1,67%) and refined petroleum with 1,21% of share (OEC, 2021).

Among the most important import partners in year of 2019, there were Germany (27,2%), China (11,7%), Poland (8,83%), Slovakia (5,43%), Italy (4,22%), Netherlands (4,17%), Austria with 3,32% of share (OEC, 2021).

Table 1: Structure of Import in pre-COVID period in %.

Item	2018 (% of total import)	2019 (% of total import)	Average 2018-2019 (% of total import)	Position 2018-2019
Vehicles parts	5,68	5,71	5,695	1
Broadcasting equipment	4,73	5,77	5,25	2
Office machines parts	3,82	3,28	3,55	3
Cars	2,56	2,67	2,615	4
Computers	2,47	2,75	2,61	5
Packed Medicaments	2,2	2,36	2,28	6
Crude Petroleum	1,96	1,78	1,87	7
Integrated circuits	1,87	1,76	1,815	8

Wires	1,68	1,67	1,675	9
Refined petroleum	1,45	1,21	1,33	10

Source: author, based on OEC, 2021.

Conclusion: it is possible to conclude that in 2018 and 2019, so called pre-COVID era, the main import commodities were Vehicles parts, broadcasting equipment, Cars, Computers, Packed Medicaments, Crude Petroleum, Integrated circuits, Wires and Refined petroleum. In both years (2018 and 2019), the structure remains same without any significant shifts as can be seen in the table (OEC 2021).

5. Structure of Import of the Czech Republic in COVID period of 2020-2021

The import in 2020 was nearly the same, however it is possible to see a significant increase in importing of Broadcasting equipment, which were imported in 2020 to the Czech Republic in 6,96%, followed by office machines parts (6,3%) and parts of vehicles (5,57%). The fourth place in the import list consists of packed medicaments (2,23%) followed by part of accessories (2,16%). The sixth place belongs to integrated circuits (2,19%) and the seventh place is occupied by cars (2,16) followed by wires (1,59%) and articles of plastics (1,26%). The tenth place belongs to petroleum with 1,25% of share (Trading Economy, 2021).

Table 2: Structure of Import in COVID period in %.

Item	2020 (% of total import)	2021 (% of total import)	Average 2020-2021 (% of total import)	Position 2020-2021
Vehicles parts	5,57	<i>The data for 2021 has not been released</i>	5,57	3
Broadcasting equipment	6,96	<i>yet. It also was</i>	6,96	1

Office machines parts	6,3	<i>not possible to access partial data for January-September 2021 at the moment.</i>	6,3	2
Part of accessories	2,23		2,23	5
Cars	2,16		2,16	7
Packed Medicaments	2,65		2,65	4
Articles of plastic	1,26		1,26	9
Integrated circuitis	2,19		2,19	6
Wires	1,59		1,59	8
Petroleum	1,25		1,25	10

Source: author, based on Trading Economy, 2021.

Conclusion: during COVID period (2020 and 2021), the most imported commodities were Broadcasting equipment, Office machines parts, Vehicles parts, Part of accessories, Cars, Packed Medicaments, Articles of plastic, Integrated circuits, Wires and Petroleum.

6. Comparison and hypotheses validation

If pre-COVID period (years of 2018 and 2019) and COVID period (2020 and 2021) are compared, it is visible that structure of import commodities to the Czech Republic from abroad has not changed in a significant way.

In both periods, the main TOP 3 importing commodities remain the Vehicles parts, Broadcasting equipment and Office machines parts, only the position of the three mentioned items on the ranking changed. In both, pre-COVID and COVID periods, the main importing commodities are especially broadcasting equipment, Office machines parts, Vehicles parts, Part of

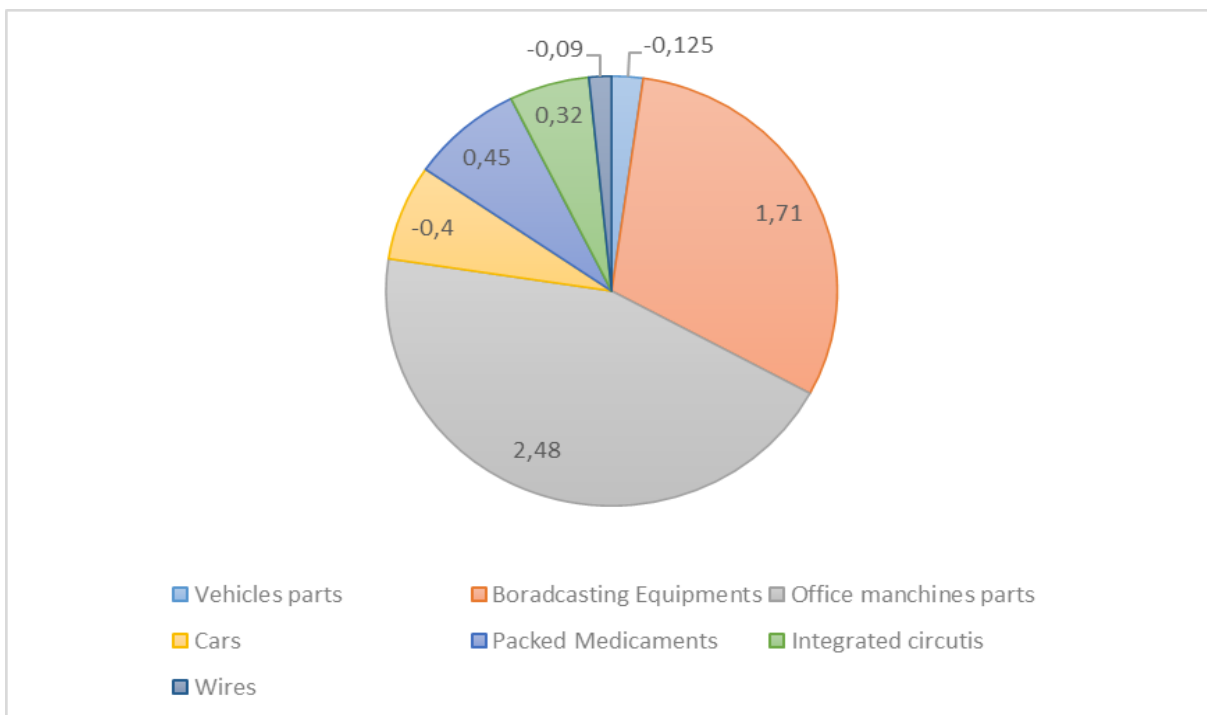
accessories, Cars, Packed Medicaments, articles of plastic, Integrated circuits, Wires and Petroleum. Hypotheses validation:

1. Hypothesis nr. 1: the import structure changed if the pre-COVID period and COVID period is compared in importing more packed medicaments and health supplies such as mask (change at least 5% in the import share). The hypothesis no. 1 has **not been validated** since the Packed Medicaments commodities share remains low in both periods (2,28% in pre-COVID period and 2,65% in COVID period) and in any period can be seen medical supply or clothes supply such as mask.
2. Hypothesis nr.2: the structure of main import commodities has not changed significantly (vehicles parts, broadcasting equipment and office machine's part are among top 5 import commodities in pre-COVID and COVID period). The hypothesis no. 2 **has been validated** since in both periods the main TOP 3 importing commodities remain the Vehicles parts, Broadcasting Equipment's and Office machines parts, only the position of the three mentioned items on the ranking changed.

It is possible to conclude that there are not visible any sign that COVID-19 has had a big impact on importing commodities from abroad to the Czech Republic as the import structure has not changed significantly as well.

The change of import share of the Czech Republic is shown in the following chart. The change shows % change if pre-COVID and COVID-19 periods are compared.

Figure 1: Change in share of import (in %) if pre-COVID and COVID period is compared.



Source: author, based on Trading Economy, 2021 and OEC, 2021.

7. Conclusion and limitations

COVID-19 has had impact on economics, especially tourism and accommodation services, however, the impact on importing commodities is not visible if import structure in pre-COVID period (2018 and 2019) and COVID period (2020 and 2021) is compared.

The limitations of the overview article are especially in the point of view on the import structure which is view on as overall overview, therefore small changes in import structure are not investigated because they may not be sufficient enough to impact the total import of the Czech Republic (from the point of view of import share).

It is also recommended to investigate the changes in import structure of the Czech Republic in a longer period in the future, such as in 5-10 years to validate the result of short-term impacts investigated in this overview article.

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