

## 11. EXTERNAL TRADE

Since 2011 the Czech Statistical Office has been publishing data on the Czech Republic external trade in goods following two concepts – the national concept and the cross border concept. This chapter shows **exclusively the national concept of the external trade statistics**, which reveals facts on the Czech economy performances in exports and imports therefore also on the Czech Republic trade balance in external trade.

The **national concept** is based on the thesis external trade happens in the moment when Czech entities (residents) and foreign entities (non-residents) make mutual trade and the movement of goods across borders may not be the decisive for. Information on the goods movements across borders is provided by the **cross border concept** which, on the contrary, defines exports and imports on the basis of the moment of the movement across the state border, irrespective the trade is made between residents or non-residents.

The **source of information for estimating exports and imports of goods in the national concept** is, first of all, information on cross-border movements of goods (i.e. data of the cross border concept), supplemented from other data sources, mainly from value added tax return forms and the industry statistics. The goods, which is moved to and/or from territory of the Czech Republic by foreign entities, is not taken as exports or imports in the national concept. Conversely, the trade carried out among Czech entities and foreign ones on the territory of the Czech Republic is considered exports and imports, which is enabled due to the Czech Republic involvement in the unified European market.

The **information on cross-border movement of goods, i.e. the statistics of external trade in goods in the cross border concept** is a total of intra-EU trade (i.e. trade with Member States of the European Union) and trade with non-EU countries. Data on goods, which is the subject of trade among the Member States of the European Union, the reporting units submit to the Customs Office on the form for Intrastat along with data on dispatching or receiving of the goods. Data on goods, which is exported and/or imported within trade with non-EU countries (Extrastat), are given in customs declarations. The collection of these data and primary checks thereof are provided by the General Directorate of Customs.

In compliance with binding EU regulations the surveying of data on exports and imports is regulated by the Act No 242/2016 Sb, the Customs Act, as amended. For the data collection in the system of Intrastat the surveying is governed by the Decision of the Government of the CR No 244/2016 Sb implementing certain provisions of the Customs Act in statistics, as amended.

**In the statistics of external trade in the national concept**, the value of exported goods declared at the border crossing by residents and taken from Intrastat and Extrastat data and the value of goods purchased by foreign entities on the territory of the Czech Republic and taken from value added tax return forms submitted by non-residents in the Czech Republic are considered **exports**.

The value of goods declared at the border crossing directly by residents and taken from Intrastat and Extrastat data and the value of goods sold by foreign entities on the territory of the Czech Republic and taken from value added tax return forms submitted by non-residents in the Czech Republic are considered **imports**.

This way, solely the data for non-residents are adjusted when moving from data on the cross-border movement of goods, i.e. cross border concept, to the national concept. **Values of exports and imports reported by Czech entities remain unchanged and therefore they are identical in both the concepts.**

Because the data on the value added tax return forms do not contain information on the commodity structure of purchases and sales of non-residents in the Czech Republic, the commodity structure is derived from the commodity structure of cross-border transactions of the non-residents and from the data of the industry statistics, that means for entities, which sell their production to non-residents as early as on the territory of the Czech Republic.

Data of both the concepts of external trade contain the value of goods dispatched and received for processing according to a contract (so-called goods sent abroad for processing). The goods is excluded from the values of exports and imports in the external trade balance and national accounts in accordance with the European System of Accounts (ESA 2010) and Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6).

Data on external trade in the national concept are the basic source data for the compilation of the GDP applying the expenditure method and also for the current account of the balance of payments. Besides these data, the later macroeconomic statistics include other items as, for instance, imports of goods by individuals, smuggling, etc. What also differs is the evaluation when imports in the national concept in the external trade statistics are expressed in prices on the borders of the importing country (CIF), while national accounts (sector accounts and quarterly estimates of the GDP) and balance of payments use the value of imports on the border of the exporting country (FOB). Exports are in all statistical domains evaluated identically in prices on the border of the exporting country (FOB). The difference in between both the evaluations of goods consists in costs for transport and insurance of the goods.

Since 1999, following a regulation of Eurostat, the Czech Statistical Office has been using the territorial breakdown according to the Geonomenclature (GEONOM). The international standard of GEONOM is binding for the international trade statistics both for the trade among the EU Member States and with states outside the EU.

**EU28** (European Union) includes: Austria; Belgium; Bulgaria; Croatia; the Czech Republic; Cyprus; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Ireland; Italy; Latvia; Lithuania; Luxembourg; Malta; the Netherlands; Poland; Portugal; Romania; Slovakia; Slovenia; Spain; Sweden; and the United Kingdom.

**EA19** (Euro area) includes: Austria; Belgium; Cyprus; Estonia; Finland; France; Germany; Greece; Ireland; Italy; Latvia; Lithuania; Luxembourg; Malta; the Netherlands; Portugal; Slovakia; Slovenia; and Spain.

The data on external trade in goods in the national concept are compiled and published according to the breakdown of the national version of the European Classification of Products by Activity (CZ-CPA).

The data on external trade in goods in the cross border concept are compiled in time series starting in 2005, i.e. following the Czech Republic accession to the European Union and after the Czech Republic got involved in the unified European market. Data before 2005 can be considered as compatible both with the national concept and the cross border concept data in terms of methodology.

The data published are final data.

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Further information can be found on the website of the Czech Statistical Office

- for the national concept here:  
[www.czso.cz/csu/czso/external\\_trade\\_in\\_goods\\_according\\_to\\_the\\_change\\_of\\_ownership\\_-national\\_concept\\_-](http://www.czso.cz/csu/czso/external_trade_in_goods_according_to_the_change_of_ownership_-national_concept_-); and
- for the cross border concept here:  
[www.czso.cz/csu/czso/external\\_trade\\_in\\_goods\\_according\\_to\\_the\\_movement\\_-cross\\_border\\_concept\\_-](http://www.czso.cz/csu/czso/external_trade_in_goods_according_to_the_movement_-cross_border_concept_-).