Methodological notes of international trade in goods (change of ownership)

Starting with the year 2020, the Czech Statistical Office has changed the terminology and the way it presents data for international trade statistics in the Czech Republic. **The international trade in goods (change of ownership) refers only to data based on a change of ownership between residents and non-residents** (formerly called the national concept of external trade). As regards the cross-border concept of external trade, this is now referred to as "cross-border movements of goods".

Further information: https://www.czso.cz/csu/czso/changes-in-international-trade-statistics.

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. International trade in line with this notion takes place at the moment when Czech residents and non-residents) trade with each other and from this perspective, cross-border movements of goods as such may not be the deciding factor.

Information on cross-border movements of goods, supplemented by other data sources, such as VAT tax returns and industrial statistics data, is **the source for international trade in goods (change of ownership) calculations**. The goods, which are moved from the territory of the Czech Republic or onto it by non-residents are not understood as exports and imports. Conversely, trade carried out between residents and non-residents on the territory of the Czech Republic is considered as exports and imports, which is possible due to the involvement of the Czech Republic in the European single market.

The **information on cross-border movements of goods** is a total of physical flows of goods to/from EU Member States and to/from non-EU countries. Data on goods, which are the subject of cross-border movements of goods between EU Member States is submitted by the reporting units to the Customs Office on the **Intrastat** form along with data on dispatching or receiving of the goods. Data on movements of goods with non-EU countries (**Extrastat**) are reported in customs declarations. The collection of such data and primary checks thereof are provided by the General Directorate of Customs in the Czech Republic.

In compliance with binding EU regulations, the surveying of data on international trade is regulated by the Act No 242/2016 Coll., the Customs Act, as amended. For data collection in Intrastat system, the surveying is governed by the Government Regulation No 244/2016 Coll., implementing certain provisions of the Customs Act in statistics, as amended.

From the statistics of international trade in goods (change of ownership) perspective, the values of exported goods declared at the border crossing directly by residents and taken from Intrastat and Extrastat data and the values of goods purchased by foreign entities on the territory of the Czech Republic and taken from VAT tax returns submitted by non-residents in the Czech Republic are considered exports.

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

This way, solely the data for non-residents are adjusted when translating from data on the cross-border movements of goods to the concept of international trade in goods (change of ownership). Values of exports and imports of goods reported by Czech entities remain unchanged and therefore they are identical in both statistics.

Since data in VAT tax returns do not include 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 non-residents and from industrial statistics data (i.e. of entities, which sell their production to non-residents already on the territory of the Czech Republic).

Further information: <u>https://www.czso.cz/csu/czso/2-vzonu_m</u>

The data for individual months of 2018 and 2019 are final.

Casual differences on the last digit position arise from rounding off the figures.

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).

Data on exports are compiled by country of destination and data on imports are compiled by country of origin.

EU28 (European Union) - 28 Member States of the European Union:

Eurozone19 (Euro area – monetary union of 19 European Union Member States): Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain.

Neighbouring countries: Austria, Germany, Poland and Slovakia

Statistical symbols:

- 0 the value of exports (imports) is smaller than half of the unit of measure
- data did not occur in the reference period
- . data unavailable or inapplicable
- individual data
- x with indices, indicates the 100 multiple of the resulting value

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 between the EU Member States and with non-EU countries.

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.