

## 11 INTERNATIONAL TRADE IN GOODS (change of ownership)

### Methodological notes

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 term “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”.

This chapter comprises **solely international trade in goods (change of ownership)**, which shows the export and import performance of the Czech economy, i.e. also the trade balance of the Czech Republic. International trade in line with this notion takes place in a moment, when Czech residents and non-residents trade with each other; 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 are 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 Sb, the Customs Act. For data collection in the Intrastat system, the surveying is governed by the Order of the Government of the Czech Republic No 244/2016 Sb implementing certain provisions of the Customs Act in statistics.

**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).

Data on international trade in goods (change of ownership) are one of the vital parameters for the compilation of GDP by the expenditure approach and also for the current accounts of the balance of payments. These macroeconomic statistics, besides the data on international trade in goods (change of ownership), include also other items, e.g. imports of goods by individuals, imports of services, smuggling, etc. What also differs is the valuation when imports in the international trade in goods (change of ownership) statistics are expressed in prices at 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 at the border of the exporting country (FOB). Exports are in all statistical domains valued identically in prices at the border of the exporting country (FOB). The difference between both the valuations of goods consists in transport costs 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 between the EU Member States and with non-EU countries.

**EU27** (European Union) includes Austria, Belgium, Bulgaria, Croatia, the Czech Republic (Czechia), Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.

**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.

Data on international trade in goods (change of ownership) are compiled and published according to the breakdown of the national version of the Statistical Classification of Products by Activity (CZ-CPA).

Data on international trade in goods (change of ownership) are compiled in time series starting from 2005, i.e. following the Czech Republic accession to the European Union and after the Czech Republic got involved in the European single market. Data before 2005 can be considered as comparable in terms of methodology both with the international trade in goods (change of ownership) and with the cross-border movements of goods data.

The data published are final data.

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

international trade in goods (change of ownership)

– [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)