

METHODOLOGICAL NOTES

This publication presents annual time series (mostly from the year 1990), quarterly time series and (exceptionally) monthly time series. Shown in addition to absolute figures are indices, too. Unless stated otherwise in the tables or methodological notes, the index describes the state in the reference period related to the state in the corresponding period of the preceding year, all governed by the same prices, methodology and organisational structure.

◆ Population

Figures showing the population size, structure and their changes are derived from decennial population censuses and additional information on population balances and vital statistics linked to the censuses.

The figures on the population and vital statistics cover Czech residents, irrespective of citizenship. The data for 2001 and later years are derived from the Population and Housing Census 2001 and also include foreigners with 90+ day visas (as stipulated by Act No. 326/1999 Sb., on the Stay of Foreigners) and foreigners who were granted asylum (pursuant to Asylum Act No. 325/1999 Sb.). Since 1 May 2004, following up the so-called Euro-amendment to Act No. 326/1999 Sb., on the Stay of Foreigners, the data have been referring to citizens of the EU member states with temporary stay in the Czech Republic and citizens of third countries with long-term stay.

The presented data also include marriages, births and deaths of Czech citizens with permanent residence in the CR, which occurred abroad.

Relative rates are defined per 1 000 individuals (mid-year population), infant mortality is shown in terms of the number of deaths up to 1 year of age per 1 000 live births.

◆ Gross domestic product

The gross domestic product of the Czech Republic – the key indicator of the system of national accounts – and the principal components of GDP expenditure are calculated in compliance with the principles of the European System of National Accounts (ESA 95).

Gross domestic product is the sum of values added by all industries of activities considered productive in the system of national accounts (i.e., including market and non-market services). Its calculation uses purchase prices, at which market outputs are implemented (i.e. including taxes on products and excluding subsidies on products). For non-market services, output is the sum of intermediate consumption, compensation of employees and fixed capital consumption. Initial calculations are made at current prices and the results are deflated to constant prices so that development not affected by price fluctuations can be monitored.

Final household consumption expenditure comprises the value of goods and services used by households to satisfy their individual needs, paid for from household incomes of and acquired by purchase, as gifts or consumption in kind. Purchases for business activities are excluded.

Final consumption expenditure by government and private non-profit institutions serving households (including membership organisations) is the value of non-market services provided by the above-mentioned institutions to satisfy individual and collective needs. It is paid from the state budget, local government budgets and other contributions. The final consumption expenditure is quantified as the difference between outputs as described above and incomes from own activities (e.g. taxes, penalties, and fees are not counted in) of all budgetary and most semi-budgetary organisations providing non-market services, as well as of health insurance companies and non-profit private institutions serving households. The common characteristic of these institutions is that their activities are not motivated by the making of profits.

Gross fixed capital formation includes the value of acquired tangible and intangible fixed assets purchased, taken over or produced on own account minus disposals of these assets. Acquisition via financial leasing is included, too. An objective of the acquisition is always to use these fixed assets for productive activities. The indicator excludes consumer durables acquired by households to satisfy final consumption.

Gross capital formation through **changes in inventories, reserves and valuables** is calculated as the difference between additions to and drawings on the inventories.

Exports minus imports (net exports) describe the resulting impact of external trade in goods and services on the possibility to use the production by residents. These figures are derived from the

outputs of statistical survey on export and import of goods in relation to the EU Member States (in Intrastat system) and from wide monitoring in relation to other countries (customs declaration). Data on income from and expenditure on services are obtained from statistical survey and the balance of payments.

◆ **State budget current performance**

Given are only total incomes, total expenditures and state budget surplus/deficit, governed by the methodology and prices in force in the individual years. Shown are state budget revenue and expenditure related to the end of period. The annual figures include the final state budget valid for given year.

◆ **Deposits and credits of households, total**

Deposits of households in and **credits of households** from resident financial institutions include data (in domestic and foreign currencies) for the sector of households (i.e. for individual citizens and small unincorporated entrepreneurs). The source underlying the presented information is data provided by the Czech National Bank.

◆ **Producer price indices**

Since January 2009 industrial producer price indices and market services indices are compiled, calculated and published in the Classification of Products by Activity CZ-CPA. Detailed information on the new classification is available on the CZSO web page:

<http://www.czso.cz/eng/redakce.nsf/i/classifications>.

The indices are derived from prices of the samples of representatives and selected reporting units by aggregating simple price indices of the representatives into totals using the Laspeyres formula in a modified form. Constant weights of the base period (i.e. annual structure of sales, yields, etc.) are used for calculation.

$$I_{1/0} = \frac{\sum \frac{p_1}{p_0} p_0 q_0}{\sum p_0 q_0} * 100$$

where p_1 is the price in the reference period,

p_0 is the price in the base period,

$p_0 q_0$ is the constant weight - the value indicator of the base period (sales, yields, etc.).

After a standard revision made in 2006, average prices for 2005 are the base of published indices. Constant weight for indices is the annual structure of sales, i.e. annual insurance, annual yields for financial services, etc. for 2005.

Prices, which are measured statistically are mainly actually received contract prices (without own consumption) designed solely for the domestic market (for the business sphere). The measured prices are VAT adjusted.

Agricultural producer price index

Agricultural producer price index has been calculated monthly since 1992. In 2001, a new system was introduced for the calculation of agricultural producer price index, which results from the methodology of Eurostat. This way of calculation enables to compare the Czech agricultural economy with the EU member states in the price area.

Agricultural producer price indices are calculated based on surveys on 95 basic agricultural products (price representatives), of which 62 are crop products, including fruit and vegetables, and 33 animal products. Further, prices of 29 other representatives are observed, among others with the aim to make a database necessary for the expected development until the next revision period. Their prices are not used for the calculation.

Prices are surveyed by the state statistical report called "Ceny Zem 1-12" among approximately 500 selected agricultural producers (at cooperative, private, and state organizations). The prices are VAT adjusted. Surveyed prices are realization, contract prices (excluding own consumption), which are designed for the domestic market.

Industrial producer price indices

Industrial producer prices are surveyed monthly on the basis of data provided by the selected organizations (about 1 200) for the selected representatives (about 4 700). The reported prices are those agreed upon between the supplier and the customer residing in the CR. They exclude VAT, excise tax, costs of transport to the customer and costs incidental to the transport, and are invoiced for the more important business cases.

The industrial producer price index is calculated from the reported prices using constant weights. The index measures the average trend in prices of all industrial products produced and sold in the domestic market (in the Czech Republic). All products produced within the commodity groups of the categories B to E of the CZ-NACE are regarded as industrial products.

During the year 2008, a transition from the classification CZ-CPA 2003 to the new classification CZ-CPA 2008 was made. Since January 2009 all price indices have been compiled, calculated and published according to the classification CZ-CPA 2008. The recalculation of price indices for the previous periods has been made back to the year 1991 inclusive.

Ratios of constant weights between new and old classification on the level of 4-digit classes of CZ-CPA were used for the recalculation.

The base period for the calculation of industrial producer price indices remains

December 2005 = 100 and the derived base is the average of 2005 = 100.

The weights are still based on the structure of 2005 domestic sales.

Increase (or decrease) of industrial producer prices indicates by how many % the average level of industrial prices increased (or decreased) in the surveyed month in comparison with the same month of the previous year.

Market services price indices

The aggregate price index of **market services in the business sphere** (i.e. between businesses) is calculated in monthly time series from 1994. Since January 2009 price surveys include selected services as specified in the Classification of Products by Activity (CZ-CPA 2008) in divisions: 49, 50, 51, 52, 53, 61, 62, 63, 64, 65, 68, 69, 71, 73, 74, 77, 78, 80, 81 and 82.

Indices are calculated at constant weights by the Laspeyres formula. Constant weight of the aggregate index is the sum of weights for individual services areas in 2005. Constant weights of individual indices are sales (yields) for 2005.

The price base is the average for 2005. In total, 150 constant price representatives from approximately 600 respondents are surveyed by means of 18 monthly questionnaires.

Surveyed prices are mainly realization prices - contract prices or, in some cases, prices from price lists, which are adjusted for VAT. This refers mainly to prices of services designed for the domestic market.

Price index of construction work

Price index of construction work is estimated based on results of a survey on prices of materials and products consumed in construction for a current month (the survey is called "Ceny Prům 1-12"). Besides material influences, the estimate of the index value includes also influences of non-material character. It refers mainly to fluctuation of the average monthly wage in construction, transport costs, overhead, and profit.

Monthly estimates of the price index are regularly updated **with retrospective effect** (on the 45th day after the end of the quarter concerned), according to the latest results of the direct quarterly statistical survey of construction work prices ("Ceny Stav 1-04").

The price base for the calculation of price indices is the average of the year 2005. From that, year-on-year and month-on-month indices are derived.

During 2011, an **extraordinary revision** of price indices in construction is being prepared.

◆ Consumer prices

Trends in consumer prices (cost-of-living) are measured on consumer baskets based on a sample of goods and services paid for by the population. Price representatives include such products and services, which account for an important share in population's expenditure and cover the entire sphere of consumption. Their total number is about 700.

Weights for the consumer baskets, which have been used to calculate consumer price indices since 2007, are based on household expenditure data according to family budget statistics for 2005 corrected by national accounts statistics.

Prices of individual kinds of goods and services are collected monthly, directly in selected shops (about 9 000) by statistical staff in 35 chosen districts across the Czech Republic and in Prague.

Calculation of the consumer price indices (cost-of-living) is based on constant weights according to the Laspeyres formula:

$$I_{1,t/0} = \frac{\sum \frac{P_1}{P_0} p_0 q_0}{\sum p_0 q_0} * 100$$

p_1 = the reference (current) period price of a good (service),

p_0 = the basic period price of a good (service)

$p_0 q_0$ = constant weight: expenditures of households on a good (service) in the basic period.

Starting from 2010, the base period was changed from December 2005 to December 2009. The calculated indices are chained at all levels of the consumer basket with the base period 2005 = 100. A constant is used to transfer the index with the base period December 2009 = 100 into an index time series 2005 = 100. The index with the base period 2005 = 100 is calculated by multiplication the constant by the index December 2009 = 100. Thereby, a continuation of the existing index time series 2005 = 100, from which indices to other bases are derived (previous month = 100, corresponding period of last year = 100 and annual rolling average, i.e. the average of index numbers over the last 12 months to the average for the previous 12 months) are ensured.

◆ Money income and expenditure of households

Data on household income and expenditure are taken from the sample survey of the Household Budget Survey. The sample unit and reporting unit is a household, i.e. people sharing a dwelling and running a common budget. Purposive quota sampling is used for household budget statistics.

Before and in the year 2005, basic sampling attributes were social group of a household (it was determined according to which social group the head of household belonged to) and net money income per person. The third sampling attribute was the number of unprovided-for children (in households of economically active persons) or the number and sex of members (in households of pensioners without active members).

From 2006, the sampling attribute is **economic activity and position of a person in the head of household**. Households with economically active person in the head are classified by his/her status in employment, in households of employees also by education of a person in the head. Households with an economically inactive person in the head are further broken down depending on whether someone of the other members of the household is economically active or if there is a pensioner in the head of household.

For three the most important groups of households some more sampling attributes are used:

- **Net money income per household member and number of unprovided-for children** for households of employees and households of self-employed persons.
- **Income per household member and number of members** (in a single member household also his/her sex) for households of pensioners without economically active members.

Sampling attribute **municipality size and type of house** concerns all groups of households. Independent quotas according to municipality size and type of house are determined for the above-

mentioned most important groups of households, while the remaining groups of households are for this sampling attribute merged to a single category.

Data published (monthly averages in CZK per person):

1. **Average household** (before and in the year 2005) or **households in total** (since 2006); before 2005, some less frequent types of households were not present in the sample (e.g. households of the unemployed, of pensioners with economically active members, etc.) An estimate of the average household of the sample was produced by re-weighting according to social groups (based on the households structure from Microcensus), which eliminated the disproportion between individual social groups in the sample. From 2006, the sample includes all types of households represented in the population; number of pensioners without economically active members is reduced. During the processing, the disproportion is eliminated by re-weighting; thus, the share of individual groups of households corresponds to their real distribution in the population.
2. **Households of employees**; households with a person in the head in employment or service relationship, who works either based on a contract of employment or an agreement to perform work or an agreement to complete a job. Employees are also working members of producers' cooperatives (including agricultural), partners of private limited companies and limited partners of limited partnership companies, who work for a company based on a contract of employment and receive remuneration for it, which is revenue from employment.
3. **Households of pensioners, economically active members excluded**, are households with a person in the head receiving any kind of pension (orphan's pension excluded), who does not work at all or his/her work activities are only of limited scope (i.e. his/her annual income from work must not exceed CZK 12 000); this limit is valid also for the other members of a household.

Definitions of items:

Net money income and net money expenditure embrace all money income/expenditure minus health and social security insurance and advances on income tax. They exclude also savings withdrawn, received cashless loans, credits and loans or deposits, repaid cashless loans, credits and loans to private persons. Net money income is one of the selection criteria; the development of it is thus naturally determined in advance and therefore it has to be understood as additional information.

Individual expenditure groups include:

Food and non-alcoholic beverages - all kinds of food products and non-alcoholic beverages purchased for consumption at home;

Alcoholic beverages and tobacco - all kinds of alcoholic beverages (incl. cocktails and non-alcoholic beer) purchased for consumption at home, tobacco and products thereof;

Clothing and footwear - clothing materials, underwear, knitted garments, ready-to-wear garments, garments for sport and work, incl. made-to-measure garments, cleaning, repair and hire of clothing; footwear of all kinds, incl. made-to-measure footwear, repair of footwear, shoe cleaning;

Housing - rentals, water rate and sewage charges, refuse collection and other municipal services, heat, hot water, electricity and gas supply, solid and liquid fuels, products and services for the routine maintenance, repair, reconstruction and construction of the dwelling;

Furnishings, household equipment and routine maintenance of the house - furniture and furnishings, floor coverings, household textiles, bed linen, household appliances (refrigerators, washing-machines, cookers, vacuum cleaners, etc.), glassware, ceramic ware and chinaware, tools and equipment for house and garden, goods and services for routine household maintenance (cleaning and maintenance products, window cleaning, dry-cleaning and laundering of carpets, etc.);

Transport and communication - purchase of vehicles, operation of personal transport equipment (fuels and lubricants, spare parts and accessories, repair and maintenance, other services in respect of personal transport equipment, such as hire of garages or parking spaces not providing parking in connection with the dwelling, hire of cars, motorway tax disc, driving lessons, etc.), all kinds of public passenger transport and transport services, postal services, purchase of telephones, accessories and phone cards, phone services, incl. information transmission services;

Leisure - equipment for the reception, recording and reproduction of sound and pictures (television sets, video-cassette players and recorders, radio sets, tape players and recorders, cassette players and recorders, CD-players, still cameras, computers, incl. software) and repair thereof, recording media (records, video cassettes, compact discs, tapes and cassettes, films), other major

durables for recreation and culture, musical instruments, games, toys and hobbies, gardens, plants and flowers, pets and related products, veterinary services, recreational, cultural and sporting services, charges for television and radio broadcasting, newspapers, books and stationery, package holidays;

Catering and accommodation services - meals (excl. drinks) at restaurants and other catering facilities, incl. on public transport, wedding and other feasts at catering facilities, supply of cooked dishes, catering services of work canteens, office canteens and canteens in schools, universities and other educational establishments, accommodation services of hotels, boarding houses, youth hostels, camping sites, etc;

The contents of the other items are given by their titles.

Starting with 1999, expenditure of households is classified according to CZ-COICOP (Classification of Individual Consumption by Purpose). Its implementation changed the way of classifying items; at the same time, the contents of some measured items changed significantly, compared with the classification used before 1999. For the purpose of data comparability in the time series, the contents of the groups had to be adjusted; therefore, they precisely correspond neither to the previously published data, nor to CZ-COICOP.

◆ **Employees and wages**

The data refer to the numbers of employees registered by businesses. They include persons with employment contracts for jobs, members of cooperatives with employment contracts and persons in duty status.

The data on the number of employees and on average gross monthly wages do not include persons in public office (e.g. deputies, senators, full-time councillors), judges, females on maternity leave, persons on parental leave (unless they have contract of employment at the same time), apprentices, persons employed by companies under contracts of services or for work, and employees of businesses not measured statistically.

An average gross monthly wage is the ratio of wages excluding other personnel expenses per employee per month. Included in the wages are basic wages and salaries, payments additional to wage or salary, bonuses, wages and salaries compensations, bonuses for being on call to work, and other wage or salary components charged to be paid to employees in a given period. Wages do not include wage or salary compensation for the days of temporary incapacity for work or quarantine paid by the employer. They are gross wages i.e., before premiums for general health insurance and social security, income tax advances of natural persons, and other statutory deductions or deductions agreed with the employee.

Since Q1 2009 the labour and wage statistics showed changes in methodology of survey and presentation of results.

Important changes are the following:

- *data are processed and published according to a new Classification of Economic Activities CZ-NACE (national version CZ-NACE Rev.2), which replaced the before used OKEČ classification (national version CZ-NACE Rev.1.1),*
- *new methods of non-response estimates (imputation) were applied and estimates for non-surveyed part of the population (grossing up) based on the administrative data sources were newly introduced,*
- *data on the number of employees and average wages FTE (earlier per natural persons), for the entire national economy are provided.*

Average registered number of employees (full time equivalent) is an estimate of the average registered number of employees (headcount) by type of their employment as determined in the employment contracts with the employer.

The average gross monthly wage for the whole national economy includes data for all employees (full time equivalent) reflecting thus the type of employment

◆ **Labour Cost Index**

Cost labour index is a quarterly indicator of the labour market development measuring the hourly labour cost change in the relevant quarter to basic period (the whole year 2008). The calculation is based on the existing data sources: data on wages are taken over from quarterly reports of the CZSO – estimates for the whole national economy; other labour costs are constructed as estimates from yearly survey on complete labour costs; data on hours worked are calculated by means of actually worked hours per week in the quarter from the Labour Force Sample Survey. The LCI calculation scheme is amended in terms of legislation by the regulation no. 450/2003 of the European Council and Parliament and also by the regulation no. 1216/2003 of the European Commission.

***Total labour costs** are general labour costs of an employer for hiring and training of employees, remuneration for work and for social needs of employees. They include wages and salaries (incl. work remuneration for the time non-worked), social costs and expenditures (statutory and voluntary), social benefits, personal costs and taxes and subsidies related to employment.*

◆ **Unemployment**

The source of data on the numbers of unemployed job applicants registered by the labour offices is the Ministry of Labour and Social Affairs of the CR.

The registered unemployment rate is derived as the ratio in which by the end of the 2nd quarter the numerator includes the number of job applicants registered by the labour offices as at the last day of the reference period and the denominator includes labour force, i.e.

- a) the number of employed persons in all sectors of the national economy with the only or main job, plus women on maternity leave and child-care leave (from enterprise survey) plus the number of unemployed job applicants registered by the labour offices as at the end of the reporting period (by the end of the 1st quarter of 1994), or*
- b) the number of employed persons as obtained by the LFSS plus the number of unemployed job applicants registered by the labour offices as at the last day of the reference period (from the 2nd quarter of 1994 to the end of 1996), or*
- c) the number of employed persons as obtained by the LFSS plus the number of unemployed job applicants registered by the labour offices (all annual moving averages). Unlike the previous periods, women on child-care leave are excluded from employment (starting with the 1st quarter of 1997).*

*In the 3rd quarter of 2004, the Ministry of Labour and Social Affairs adopted a methodological change which consists in a different inclusion of some groups of persons in both the numerator and the denominator of the ratio mentioned above. **The numerator now contains the number of available unemployed job applicants**, including Czech and EU (EEA) citizens – they are unemployed persons registered as at the end of period who are ready to take up a job immediately. **The denominator includes labour force** – i.e. the number of the employed as established by the LFSS plus the number of EU (EEA) citizens plus the number of foreigners from third countries, holding valid work permit or trade certificate, plus the number of available unemployed job applicants (all moving annual averages).*

◆ **Job Vacancy Rate**

***Job vacancy rate** is determined as a share of job vacancies in the total number of filled jobs and job vacancies. The methodology recommended by Eurostat does not include jobs open in companies or private entrepreneurs (until then without employees) into the total number of job vacancies. The number of job vacancies is taken over from statistics of the Ministry of Labour and Social Affairs, the number of filled jobs in the CR is defined as the total of employees and members of producers' co-operatives with only first and second jobs (data source: Labour Force Sample Survey).*

◆ **Selected indicators from LFSS**

Data in the time series are processed using unified methodology corresponding to the valid definitions of Eurostat and recommendations of the ILO. All the figures for 1997 and previous years are deannualised to quarterly periods. All the figures for 1997 for each annual period are recalculated to quarterly periods. Since 1998 the data have been measured for calendar quarters already.

*The category of **the employed in the national economy** excludes persons on parental leave. On the other hand, the employed persons include both regular and temporary members of the armed forces (the last named only till year 2004).*

The category of **the unemployed** corresponds with the ILO definition - i.e., in addition to persons who meet the three standard conditions (the person does not have a job; willingness to take up the job within a fortnight; active search for job) for being classified as unemployed, the category also includes persons who have found a job which is to be taken up within a three month period.

◆ **External trade**

The source of data on external trade is information collected by customs authorities. Starting from processing of the January 2004 data, data collection and the first check are carried out by the Directorate General of Customs, whereas the Czech Statistical Office is in charge of further data processing, checks and publishing.

In compliance with the binding regulations of the EU, the measurement of data on exports and imports is governed by Customs Act No 13/1993 Coll., as amended; by Decree No 199/2004 Coll., on trade with third countries implementing certain provisions of the customs act and repealing certain decrees regulating exemptions from import duty and the non-preferential origin of goods (by the Ministry of Finance of the CR) as amended, effective since 1 May 2004. Intrastat is governed by Decree No 201/2005 Coll., on statistics of exported and imported goods and on the way of sharing data on trade with the other Member States of the European Communities, as amended; and by Act No 235/2004 Coll., on Value Added Tax, as amended.

External trade statistics is made up of the sum of intra-Community trade (trade with the EU Member States) and trade with non-EU countries. Data on goods traded between Member States of the Communities are supplied by reporting units to the customs office on the Intrastat forms, with information on dispatches of goods or arrivals of goods. Data on imported and exported goods in trade with non-EU countries are given in a Single Administrative Document.

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

The way of updating monthly results of external trade changed from quarterly to monthly basis in 2010. Preliminary data of the reference month are released together with updated data of the previous three months.

◆ **Business Register**

The table listing numbers of units kept in the Business Register is compiled from data kept in the Register as of respective date.

The **Business Register** keeps records of legal persons, government departments - accounting units, and natural persons with the status of entrepreneur.

A business that is economically active according to statistical surveys or administrative sources is considered to be a statistical enterprise-type unit (see Regulations No. 696/1993 and No. 177/2008).

The indicator "Private entrepreneurs, total" includes (i) by the end of 1991: natural persons authorised to do business according to the Private Enterprise of Citizens Act 105/90 Sb., (ii) from 1992: natural persons with licence and (iii) from the 3rd quarter of 1991: self-employed farmers whose transformation into agricultural entrepreneurs – natural persons lasted from 1 May 2004 until 1 May 2009.

Until the end of 2009, business companies and partnerships included general commercial partnerships, limited liability companies, limited partnerships, and joint-stock companies. Since 2010, European companies (SE) and European Economic Interest Groupings (EEIG) were added to the above-mentioned.

Cooperatives also include cooperative enterprises. State-owned enterprises in liquidation are not included in state-owned enterprises.

◆ **Agriculture**

Cattle and pigs production is purchase of animals for slaughter by all abattoirs in the Czech Republic. It includes both animals from domestic farming and imported animals; it excludes animals from domestic farming exported to abroad. Poultry production is calculated from data on purchase of poultry for slaughter, which are taken over from the departmental survey of the Ministry of Agriculture of the CR and recalculated to carcass weight. Purchase of milk is purchase of raw milk by dairies, including raw milk exported then to abroad; it excludes purchase of milk from abroad. Data are taken over from the departmental survey of the Ministry of Agriculture of the CR.

Since 2003, in compliance with the EU harmonisation requirements for reporting, the populations of cattle and pigs are not measured in the third quarters.

◆ **Industry**

Industrial production index (IPI) is a key indicator of industrial short-term statistics used to measure the output of industrial economic activities and of entire industry, adjusted for price effects. In a large part the calculation is based on revenues from sales of own goods and services at constant prices; in certain economic activities (CZ-NACE divisions 05, 06, 19, 35) the production volumes of products-representatives are used. The index is primarily calculated as a monthly fixed base index (average month of 2005 = 100) at the level of two-digit CZ-NACE divisions. Weights derived from the structure of value added in the base year are used for higher-level aggregations (up to sections, main industrial groupings and industry in total). The fixed base indices provide the basis for year-on-year indices and cumulations over time, if any (quarterly, semi-annual, annual cumulations).

In compliance with regulations of Eurostat the industrial production index covers CZ-NACE sections B, C, D (except group 35.3).

Classification of Economic Activities CZ-NACE (the national version of NACE Rev. 2) replaced the former classification CZ-NACE (OKEČ, the national version of NACE Rev. 1.1).

(http://www.czso.cz/csu/redakce.nsf/i/prumysl_metodika)

◆ **Construction**

Construction work is the performance of specialized and non-specialized construction activities including construction work for buildings – new construction, reconstruction and modernisation and civil engineering works, construction of pre-fabricated buildings at building site and constructions of temporary character. Included are assembly and erection of building constructions and value of built-in material and structures. This refers to works specified in CZ-CPA under codes 41, 42 and 43.

The index is based on constant prices in 2005.

◆ **Housing construction**

Dwelling refers to one or more rooms designed for living by the building authority, which can serve as independent housing units for this purpose.

Dwellings started are, from 2006, dwellings in buildings the construction of which was permitted in the reference period by a building permit granted and, from 2007, by a building permit or building notification irrespective of whether or not these dwellings were completed in the reference period. For this purpose, the building refers to a family house, multi-dwelling building and extensions to them, community care service home and boarding house, non-residential building and any non-residential space whose conversion provides a new dwelling.

Completed dwellings embrace dwellings approved for the use, in compliance with Act No. 183/2006 Sb. (Building Act) as amended, by the permit granted by a respective building authority by the end of the reference period in compliance with Section 122.

◆ **Building permits**

The **building notifications** is understood a permit for building of simple constructions under Section 104 para 2 letter a) to d) of Act No. 183/2006 Sb., on Town and Country Planning and on the Building Code (Building Act).

The **building permit** lays down binding conditions for the building and use of a construction within the meaning of Section 115 of Act No. 183/2006 Sb., on Town and Country Planning and on the Building Code (Building Act).

The **numbers of building notifications and building permits** are added up by building authorities and regarded as permitted constructions.

The **approximate value of constructions** includes total costs, incl. technology (at current prices), of preparing, implementing and putting a construction into use.

◆ Sales in the segment of motor vehicles, retail trade, accommodation, food and beverage service activities

Sales in the segment of motor vehicles, retail trade, accommodation, food and beverage service activities include total sales, excluding VAT, of goods for resale, own goods, and services, as measured by monthly survey on a fixed sample of enterprises.

The released indicator is the index of these sales in the segment of motor vehicles, retail trade, accommodation, food and beverage service activities compared to the corresponding period of the previous year. According to a new international classification of activities (CZ-NACE Rev. 2) replacing the original one (marked as OKEČ, i.e. CZ-NACE Rev. 1.1), the following divisions are involved:

45 Sales, maintenance and repair of motor vehicles and motorcycles

47 Retail sale excl. motor vehicles including retail sale of fuel

55 Accommodation

56 Food and beverage service activities

Here is the specification of the sales indices in more detailed breakdowns:

Retail trade excl. retail sale of automotive fuel - CZ-NACE 47 without 47.3

Retail sale of automotive fuel - CZ-NACE 47.3

Retail sale in non-specialised stores with food, beverages or tobacco predominating – CZ-NACE 47.11

Retail sale of food, beverages and tobacco in specialised stores – CZ-NACE 47.2

Retail sale of other goods than food – CZ-NACE 47.19, 47.4 to 47.9

Index at current prices: corresponding period of the previous year = 100

Index at constant prices: corresponding period of the previous year = 100

(price index related to the 2005 average was used for deflation)

Revision

Along with the February data processing, data for January are revised. In required, data revisions are carried out along with the processing of the first month that follows the publication of quarterly data, e.g. with the processing of April data, data for January–March are revised. Final data are published following the processing of all months of the observed year, not later than by June of the following year.

◆ Transport

The indicator “**Transport of goods**” refers to the actual weight of goods in terms of metric tonnes transported on the basis of a contract of carriage.

The indicator “**National transport**” – refers to loading and unloading of transported goods in terms of metric tonnes carried out within the Czech Republic.

The indicator “**Passenger transport**” refers to persons transported by public railway / bus transport over a given period. It does not include persons transported by public city transport.

◆ Guests at collective accommodation establishments

Data on guests at collective tourist accommodation establishments are based on the regular sample survey organized by the CZSO. Until 2002 (including) the collective accommodation establishments were included in the survey on the basis of a random 30% selection from the Register of accommodation establishments. A monthly obligation to report was set for the respondents and results were published quarterly. Since 2003 the survey covers all collective establishments on the basis of area sampling. The survey is divided into a monthly survey, which covers selected units and quarterly survey covering the rest of the collective accommodation establishments. Data on guests is the total of processed data from submitted reports and imputed data of accommodation establishments that failed to report.

September 2007, CZSO revised data for 2000–2005 because of the regional changes with reference to an amendment of the Act 387/2004 Sb. On this occasion data have been corrected retrospectively too. The revision covered only regional data; figures for CR Total remained unchanged.

♦ **Collective accommodation establishments** – an establishment with at least five rooms or ten beds used for the purpose of tourism that is offering temporary accommodation to guests (including children) for the purpose of a holiday, trip, spa treatment, business trip, training, course, congress, symposium, children's school in nature, summer and winter children camps, etc.

♦ **Number of guests** – a guest in an accommodation establishment is a person (personnel and owner living in the establishments are not included) who used the services of an accommodation establishment for their temporary stay. The guest can use the services of the accommodation establishment for the purpose of a holiday, trip, spa treatment, business trip, training, course, congress, symposium, children's school in nature, summer and winter children camps. In some recreational centres and training centres of enterprises (trade unions) a guest is every person which used the establishment for their temporary stay from the above mentioned reasons whether it concerns employees of the enterprise (e.g. members of the trade unions), their family members or persons foreign to the enterprise. In health resorts a guest is a person, which undergoes spa treatment regardless the way of payment of the treatment and the complexness, etc. Guests are not considered to be persons, which use the services of an accommodation establishment for temporary stay for the purpose of employment or regular study (if the period exceeded 1 year).

♦ **Number of overnight stays** – the number of overnight stays of guest at an accommodation establishment in an observed period.

♦ **Sales indices (excl. VAT) in selected services**

Sales indices are used for analyses of the short-term development and for prediction of the future development of individual industries. Monthly statistical survey SP 1-12 with appendices is used as data source. Monthly are observed total sales excl. VAT from the sale of goods, own products and services. The published indicator is the index of these sales compared to the corresponding period for sections L, M. and N according to the Classification of Economic Activities CZ-NACE.

The above mentioned sections include the following activities:

Section L	– Real Estate activities
	Division 68 Real Estate activities
Section M	– Professional, scientific and technical activities
	Division 69 Legal and accounting activities
	Division 70 Activities of head offices; management consultancy activities
	Division 71 Architectural and engineering activities; technical testing and analysis
	Division 73 Advertising and market research
	Division 74 Other professional, scientific and technical activities
Section N	– Administrative and Support Service Activities
	Division 77 Rental and leasing activities
	Division 78 Employment activities
	Division 79 Travel agency, tour operator and other reservation service and related activities
	Division 80 Security and investigation activities
	Division 81 Services to buildings and landscape activities
	Division 82 Office administrative, office support and other business support activities

Within section M division 72 – Research and development and 75 – Veterinary activities, are not observed, section N does not include group 813 – landscape service activities.

◆ **Social security and social assistance benefits, social security contributions**

In June 2007, based on the Eurostat foreign mission recommendation, a change of the contents of social contributions and social benefits took place. From 2004 household social benefits (D.62) include means designed for health insurance of persons for whom the insurance is paid by the state (children, students, pensioners, etc.). The amount of the above contribution is then shown as household expenditure (S.14) on health insurance and as income of health insurance companies (S1314) within D.61. This second imputation results from the need to settle the relationship to social benefits.

In relation with the above these payments made by the state between the central government (S.1311) and social security funds (S.1314) were excluded from the value of transfers within the sector of the general government (D.73).

The change of the concept of social contributions and benefits in the time series from 1995 will be realized not earlier than during the national accounts revision.

Social security and social assistance benefits paid out to households are current, regular and irregular money and in-kind payments (transfers) to citizens, which are paid from social security funds, including benefits from central government budgets to so-called non-civilian components and benefits from abroad. They also include payments made from supplementary insurance schemes managed by insurance companies (on the basis of legal claims), non-statutory benefits provided by employers, government and private non-profit institutions providing services to the population. Social security benefits and social assistance benefits are split into:

Pension insurance benefits which consist of old-age pensions, disability pensions, orphan's and other pensions (including pensions based on supplementary pension insurance).

Sickness insurance benefits which include sickness benefits, family member care benefits, maternity benefits, maternity and pregnancy compensation benefits, and sickness insurance benefits not elsewhere classified. They do not include wage compensation in sickness provided by the employer.

Unemployment benefits are paid to job applicants registered by the employment offices, usually for a period of six months. If out of work for a longer period of time, job applicants are materially secured in compliance with social security regulations.

State social support benefits included child benefits, social benefit, birth grant, parental benefit, providing-for benefit, foster care benefit.

Other benefits and assistance (excl. in-kind benefits) plus imputed state contribution for health insurance of persons for whom the health insurance is paid by the state include also benefits paid by local authorities in the framework of their schemes of social care for senior citizens, family and population. They also include social security benefits provided outside the government schemes of social security, i.e. social support paid by the employer (e.g. wage compensation in sickness provided by the employer or support from the social fund), special benefits provided to members of professional armed forces, benefits and damages provided to war veterans or persecuted individuals and other social security benefits n.e.c.

Social benefits in kind include mainly the value of health establishments performances at level paid by health insurance companies (96 to 98% of benefits in kind), state social support benefits or contributions to housing and funeral and mainly benefits provided in the framework of schemes for handicapped persons and schemes of social care for senior citizens.

Contributions to social security for the household sector refer to all (both statutory and non-statutory) payments made directly or indirectly to social security benefit providers, i.e. to social security funds (incl. the unemployment fund), health insurance companies and pension funds. They have been measured and included since the year of their enactment.

Social contributions of employers include mandatory social insurance (so that the state can pay pensions, sickness benefits, incl. contribution to the unemployment fund), health and mandatory insurance against loss or damage at occupational accidents or occupational disease. Voluntary social contributions contain the contributions of employers to supplementary pension insurance, voluntary contributions to health and life insurance.

The payments of these contributions create the citizen's right to social security benefits and the provision of medical care in favour of the policy holder or the user of compensation (e.g. the claims of family members or heirs in case of the policy holder's death).

The contributions are paid by employers on behalf of their employees, by employees (in form of deductions from their wages), by self-employed or non-employed persons on their own behalf, and by the state.