

## METHODOLOGICAL NOTES

This publication presents annual time series (from the year 2000), 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

The data on the size and structure of the population and their changes are derived from population censuses (roughly at decennial intervals) and from vital statistics and population balances in the intercensal period.

All data refer to the resident population of the Czech Republic, irrespective of citizenship. Since 2001, the figures include (in accordance with the 2001 Population and Housing Census) also foreigners with the stay based on long-term visa for over 90 days (pursuant to the Act No. 326/1999 Sb., on the Stay of Foreigners) and foreigners with granted asylum status (pursuant to the Asylum Act No. 325/1999 Sb.). Since 1 May 2004, in accordance with amendment to the Act No. 326/1999 Sb., on the Stay of Foreigners, the figures include citizens of the EU member states with temporary stay on the territory of the Czech Republic and citizens of third countries with long-term stay.

The data contain also information on events (marriages, births, and deaths) of permanent residents of the CR that occurred abroad.

Relative rates are defined per 1,000 inhabitants of mid-year population; infant mortality rate is the number of deaths under 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).

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

**Final consumption expenditure of general government and 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 of semi-budgetary organisations providing non-market services, as well as of health insurance companies and non-profit institutions serving households. The common characteristic of these institutions is that their activities are not motivated by generation of profit.

**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. Exports and imports of goods are

recorded in a national approach including only transactions of residents with non-residents. These figures are derived mainly from the outputs of statistical survey on exports and imports of goods in relation to the EU Member States (in Intrastat system) and from exhaustive 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>.

Price 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**

**During 2012**, the agricultural producer price index underwent a **standard complex revision**. Within the revision, the selection of representatives and respondents was revised, a new price base and index base were set, and a new weight structure was introduced, which is based on the structure of sales for the agricultural production in respective months.

**Since January 2013**, agricultural producer price indices are calculated based on new weight schemes derived from the average of sales for 2009, 2010, and 2011. Indices are calculated on the new base: the **average of the year 2010 = 100**.

The weights of agricultural seasonal and non-seasonal commodities differ one from another in various months of a year; therefore, a two-dimensional weighting scheme in the form of a matrix was used for the calculation of the index. One dimension is designed for a vertical aggregation from the level of representatives up to the highest level and the second dimension is for the 12 months of a

year. The sum of weights of the highest aggregation "Agricultural production including fish" for each month of a year is then equal to the nominal sum of 1 000.

**Since January 2013, variable monthly weights are thus used for the calculation of the agricultural producer price index.**

Agricultural producer price **indices** are calculated based on surveys on 71 basic agricultural products (price representatives), of which 55 are crop products including fruits and vegetables and 16 are animal products. Further, prices of other 40 representatives are observed, which are not used for the calculation of indices. Only their prices are published.

**Prices** are surveyed by means of the state statistical questionnaire "Ceny Zem 1-12" at about 480 selected agricultural producers (at cooperative, private, and state organizations). The prices are VAT adjusted. Surveyed prices are realization, contract prices (excluding own consumption) designed for both the domestic and foreign market excluding transport costs related to the transport to the customer.

### **Industrial producer price indices**

**Industrial producer prices** are surveyed monthly on the basis of data provided by the selected organizations (about 1 100) for the selected representatives (about 4 600). The reported prices are those agreed upon between the supplier and the customer inland. They exclude VAT, excise tax, costs of transport to the customer and costs incidental to the transport, and are invoiced for the more important trade 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, Czech market. All products produced within the commodity groups of the categories B to E of the CZ-NACE classification are regarded as industrial products.

During the year 2008, the transition from the original CZ-CPA 2003 classification to the new CZ-CPA 2008 classification was made. Since January 2009, all price indices are compiled, calculated, and published according to the CZ-NACE 2008 and the CZ-CPA 2008 classifications. Recalculation of price indices for the previous periods has been made back to the year 1991.

Ratios of constant weights between the new and old classification on the level of 4-digit classes of the CZ-CPA were used for the recalculation. Exhaustive information on the new classification is available on the website of the Czech Statistical Office at Classifications.

During the year 2011 a complex standard revision of industrial producer price indices was made. Based on that, the price indices are calculated on the new 2010 constant weights since January 2012. The weights of industrial producer price indices were determined on the structure of 2010 domestic sales from the questionnaires Prům 2-01, P4-01, and Ceny prům 1-12.

Price indices calculated with the base December 2005 = 100 were replaced by the new technical price indices with the base December 2010 = 100. Indices calculated that way are chained from the 4-digit level of the CZ-CPA to the existing price indices with the base 2005 average = 100 and December 2005 = 100 and thus continuation of the present time series is ensured.

The base time series for the calculation of the derived indices (month-on-month, year-on-year, and ratio of rolling averages) is 2005 average = 100.

**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 corresponding 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.

During 2012, a standard complex revision of the calculation of market services price indices was made. Since January 2013, price indices are calculated on new weights based on the sales structure of the year 2011. Newly calculated indices on the base of the average of 2011 = 100 were chained to the current price base of the average of the year 2005 = 100 in December 2012, by which continuation of the up to now time series of indices has been ensured.

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 45<sup>th</sup> 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 basic price level for calculations of price indices is the average of the year 2005. From that, year-on-year and month-on-month indices are derived.

### **◆ 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 2012, are based on household expenditure data according to family budget statistics for 2010 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:

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

$p_1$  = 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 2014, the base period was changed from December 2011 to December 2013. 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 2013 = 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 2013 = 100. Thereby, a continuation of the existing index time series 2013 = 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 were obtained from the results of the sample survey of the Household Budget Survey (HBS). The sample unit and reporting unit is a household, i.e. persons living together on a common budget. The reporting households of the HBS are selected by purposive quota sampling.

Before and in the year 2005, basic sampling attributes were: a 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 dependent children (in households of economically active persons) or the number and sex of members (in pensioner households without economically active members).

As of 2006 the basic sampling attribute is a **group of households** derived from **economic activity and status in employment of head of household**. Households with economically active heads are classified by the head of household status in employment, employee households also by the head educational attainment. Households with economically inactive head are further divided depending on whether any of the other household members is economically active, or, potentially, head of household is a pensioner.

Additional sampling criteria are used for the three most important household groups as follows:

- **net money income per household member and the number of dependent children** for employee households and self-employed households;
- **pension income per household member and number of household members** (in one-person households also the sex of the person) for pensioner households without economically active members.

The sampling attribute of **municipality size and type of house** applies to all groups of households. Separate quotas by municipality size and type of house are set for the above mentioned most important groups of households, while the remaining groups for this sampling attribute are merged into one category.

**Data published (monthly averages in CZK per person):**

1. **Average household** (before and in the year 2005) or **households, total** (since 2006): before 2005, some less frequent types of households were not represented in the sample (e.g. households of the unemployed, pensioner households 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 the Microcensus), which eliminated the disproportion in representation of individual social groups in the sample. Since 2006, the HBS sample has included all types of households represented in the population; the weight of individual groups of households corresponds with their percentage as measured by the Living Conditions survey. The number of pensioner households without economically active members was reduced for the purpose of the survey; this disproportion is eliminated in the processing by weight adjustment.
2. **Employee households** are households where head of household is in an employment or service relations under employment contract or various contracts for work. Working members of producer cooperatives (including agricultural cooperatives), partners of limited liability companies, and partners of limited partnerships, who work for the company under employment contract and receive remuneration, are also classified as employees.
3. **Pensioner households without economically active members** are households with the head of household receiving any type of pension except orphan's pension who does not work at all or his/her work activity is only of limited scope; the condition of a limited economic activity applies also to other household members.

**Definitions of items:**

**The net money income and the net money expenditure** are gross money income/expenditure excluding compulsory health and social insurance contributions and income taxes. They exclude also savings withdrawn, received loans and credits or deposits, repaid loans and credits. 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 only as supplementary 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 and sewage collection levies, waste 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 household maintenance** - furniture and furnishings, floor coverings, household textiles, bed and table 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 clear from their names.

Since 1999 for classification of consumption expenditure in the HBS the CZ-COICOP "Classification of Individual Consumption by Purpose" has been used. 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 the 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 Ministry of Labour and Social Affairs of the CR is the source of data on the numbers of unemployed job applicants registered by the labour offices.

From January 2013, the Ministry of Labour and Social Affairs of the CR started to use a new indicator of the registered unemployment in the CR called the **share of the unemployed persons**, which expresses the share of available job applicants aged 15–64 years in the total population of the same age. The indicator replaces the registered unemployment rate (published up to that time), which measures all available job applicants only against economically active persons.

#### **Reasons for the change of the indicator of registered unemployment:**

- the registered unemployment rate indicator compares available job applicants with the labour force consisting of combination of data from more sources – available job applicants from registers of the labour offices, employed persons from the data of the Labour Force Sample Survey (LFSS) of the CZSO;
- data on employment from the LFSS at the level of districts are not representative enough, detailed results suffer from higher error rate, and they are absolutely missing for lower territorial units (due to cost-saving measures in the state and public administration, further extension of the LFSS to cover more detailed data cannot be expected; on the contrary, the LFSS will be limited just to ensure requirements resulting from international agreements),
- another reason that cannot be neglected is also comparing or confusion of the unemployment rate of the Ministry of Labour and Social Affairs of the CR and the LFSS of the CZSO and their incorrect interpretations.

The new “**share of the unemployed persons**” indicator is of a different level due to a different definition and is thus incomparable to the original indicator.

## ◆ 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.

The category of **the employed in the national economy** excludes persons on parental leave. On the other hand, the employed persons include regular members of the armed forces. Until 2004 the employed persons included also temporary members of the armed forces.

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 a job within a fortnight; active search for a 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 in goods by movement (cross-border statistics)

The source of data on external trade is information collected by customs authorities. Since 2004, data collection and the first check are carried out by the Customs Administration of the Czech Republic, 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 the Customs Act No. 13/1993 Sb., as amended; by the Decree No. 421/2012 Sb., on trade with third countries implementing certain provisions of the Customs Act (by the Ministry of Finance of the CR) as amended, effective since 23 November 2012. Intrastat is governed by the Decree No. 201/2005 Sb., 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 the Act No. 235/2004 Sb., on the Value Added Tax, as amended.

**External trade statistics is 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 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.

## ◆ Statistical Business Register

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

The Statistical Business Register keeps records of legal persons, organizational units of the state - accounting units, unit trusts, and natural persons with the status of entrepreneur.

Economically active businesses are businesses that according to data from administrative sources or statistical surveys show economic activity.

The indicator "Private entrepreneurs, total" includes (i) until the end of 1991: natural persons authorised to do business according to the Private Enterprise of Citizens Act No. 105/1990 Sb., (ii) from 1992: natural persons with a trade licence, and (iii) from the 3rd quarter of 1991: self-employed farmers whose transformation into agricultural entrepreneurs – natural persons took place from 1 May 2004 to 1 May 2009.

Business companies and partnerships include general commercial partnerships, limited liability companies, limited partnerships, joint-stock companies and since 2010 also European companies (SE) and European economic interest groupings (EEIG). Cooperatives mean cooperatives and European cooperative companies. State-owned enterprises in liquidation are not included in the number of state-owned enterprises.



Since 2013, the Administrative Business Register (ROS), which is part of the system of basic registers, is a basic data source for the Statistical Business Register (RES). Due to that, incorporated and unincorporated natural persons are not distinguished any more.

### ◆ **Agriculture**

Beef and pigmeat production refers to the weight of carcasses (carcass weight) of animals meat of which was found suitable for human consumption. It includes both animals from domestic farming and imported animals; it excludes animals from domestic farming exported to abroad. Poultry production is calculated from the data on purchase of poultry for slaughter, or on slaughters from own farming, which are taken over from a survey carried out by the Ministry of Agriculture of the CR and recalculated to carcass weight. Meat production is surveyed at all registered slaughterhouses. 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 survey of the Ministry of Agriculture of the CR.

### ◆ **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 2010 = 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](http://www.czso.cz/csu/redakce.nsf/i/prumysl_metodika))

#### **Change of the base period in 2013**

In 2013, **the base period for short-term statistics** changed, which is a standard step made every five years and co-ordinated within the European Statistical System.

#### **The following results from the change:**

- The base period for fixed-base indices changes from the average of the year 2005 to the average of 2010.
- New weighting schemes are used that are derived from results of the structural business statistics for the year 2010.
- According to the Eurostat manual on short-term statistics, new weights were used for recalculation of data back to the year 2009, which entails a revision of data for 2009 – 2012.
- Data for the years 2000 – 2008 were connected with updated results via conversion bridges by the annual overlap method. It is characteristic for this method that 2009/2008 year-on-year indices for the entire year cumulation remain after the connection the same as at the original data and the course of the series for the years 2000 – 2008 does not change, i.e. after the connection the year-on-year indices remain unchanged. However, a consequence of the change is that historical series before the year 2009 lose their additivity; it means that they cannot be aggregated by means of the updated weighting scheme.

### ◆ **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 2010.

### **Change of the base period in 2013**

In 2013, **the base period for short-term statistics** changed, which is a standard step made every five years and co-ordinated within the European Statistical System. In the case of the construction statistics this change affected the indicator of the construction production index.

#### **The following results from the change:**

- The base period for fixed-base indices changes from the average of the year 2005 to the average of 2010.
- New weighting schemes are used that are derived from results of the structural business statistics for the year 2010.
- According to the Eurostat manual on short-term statistics, new weights were used for recalculation of data back to the year 2009, which entails a revision of data for 2009 – 2012.
- Data for the years 2000 – 2008 were connected with updated results via conversion bridges by the annual overlap method. It is characteristic for this method that 2009/2008 year-on-year indices for the entire year cumulation remain after the connection the same as at the original data and the course of the series for the years 2000 – 2008 does not change, i.e. after the connection the year-on-year indices remain unchanged. However, a consequence of the change is that historical series before the year 2009 lose their additivity; it means that they cannot be aggregated by means of the updated weighting scheme.

### **◆ Housing construction**

**Dwelling** is a room or set of rooms designed for housing according to a decision of the planning and building control authority; they may serve the purpose of housing as independent dwelling units. The number of dwellings is including independent rooms in school hostels, students' halls of residence, homes for working juveniles and rooms in school dormitories, which are not managed by municipal offices.

**Dwellings started** – dwellings in buildings whose construction was permitted in the reference period by granting building permit (since 2006) and by granting building permit or building notification (since 2007), irrespective of whether or not these dwellings were completed in the reference period. For the purposes of this definition the building is a family house or multi-dwelling building, top, side or built-in extension thereto, residential and nursing care home, non-residential building (tied dwellings – usually outside residential buildings) and any non-residential space being converted into a dwelling.

**Dwellings completed** are dwellings for which, in the sense of Act No. 183/2006 Sb. (the Building Act), as amended, final inspection approval under S. 122 was issued by the planning building control authority before the end of the reference period.

### **◆ Building permits**

**Building permit** is a building permit pursuant to the Section 115 with binding conditions for the construction and use of buildings pursuant to the Construction Act (the Act No. 183/2006 Sb., on town and country planning and building code), as amended.

**Building notification** is a permit for simple constructions pursuant to the Section 104(2)(a) to (d) of the Act No. 183/2006 Sb., on town and country planning and building code, as amended.

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

**Approximate value of constructions** encompasses total costs including technology (at current prices) spent on the preparation, implementation, and putting of a construction into operation.

### **◆ 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 2010 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.

#### **Change of the base period in 2013**

In 2013, **the base period for short-term statistics** changed, which is a standard step made every five years and co-ordinated within the European Statistical System.

#### **The following results from the change:**

- The base period for fixed-base indices changes from the average of the year 2005 to the average of 2010.
- New weighting schemes are used that are derived from results of the structural business statistics for the year 2010.
- According to the Eurostat manual on short-term statistics, new weights were used for recalculation of data back to the year 2009, which entails a revision of data for 2009 – 2012.
- Data for the years 2000 – 2008 were connected with updated results via conversion bridges by the annual overlap method. It is characteristic for this method that 2009/2008 year-on-year indices for the entire year cumulation remain after the connection the same as at the original data and the course of the series for the years 2000 – 2008 does not change, i.e. after the connection the year-on-year indices remain unchanged. However, a consequence of the change is that historical series before the year 2009 lose their additivity; it means that they cannot be aggregated by means of the updated weighting scheme.

### **◆ 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**

According to the results of the project of the Ministry for regional development called „Improvement of information on selected tourism industries“ the CZSO Register of accommodation

establishments was updated and data on capacity and occupancy for 2012 and 2013 were revised. For this reason time series are broken. New comparable time series are published from 2012 onwards. Non-revised data for 2000 to 2013 are in the archive.

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 – 2006 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 complexity, 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 predictions of the future development of individual industries. Monthly statistical survey SP 1-12 with appendices is used as data source. Total sales excluding VAT from the sale of goods, own products, and services are observed monthly. The published indicator is the index of these sales compared to the corresponding period of the previous year 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 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 – Scientific research and development and 75 – Veterinary activities are not observed; section N does not include group 81.3 – Landscape service activities.

**In 2013, the base period changed to 2010 and new weighting schemes were used.** The revision applied to data for 2009–2012. Data for 2000–2008 were connected to updated results via conversion bridges by the annual overlap method. It is characteristic for this method that 2009/2008 year-on-year indices for the entire year cumulation remain after the connection the same as at the original data and the course of the series for the years 2000–2008 does not change, i.e. after the connection the year-on-year indices remain unchanged. However, a consequence of the change is that historical series before the year 2009 lose their additivity; it means that they cannot be aggregated by means of the updated weighting scheme.

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

**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.*