

## 11. EXTERNAL TRADE

**The source of information on external trade is data obtained by the customs authorities. Starting by the processing of data for January 2004, the data collection and initial data checks are a responsibility of the Directorate General of Customs, while the subsequent processing, checks and publishing of the resulting data are carried out by the Czech Statistical Office.**

*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 Sb., as amended; by Decree No. 199/2004 Sb., on Trade with Third Countries Implementing Certain Provisions of the Customs Act and Repealing Certain Decrees Regulating Exemption 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 Sb., on the Statistics on Exported and Imported Goods and the Way of Communicating Data on Trade between the Czech Republic and the Other Member States of the European Communities (by the Czech Statistical Office and the Ministry of Finance of the CR), which replaced Decree No. 200/2004 Sb., and has been effective since 1 July 2005.*

*The accession of the Czech Republic to the EU (on 1 May 2004) substantially changed the way of reporting data for external trade statistics, implementing methodology of the statistics and the processing of statistical results. The external trade statistics are now produced by combining data from two systems (Intrastat and Extrastat). The data on the trade with the EU member states are obtained straight from the companies (consignors and consignees) via Intrastat reports in a link to VAT data. The remaining part of the external trade, which is implemented in particular with third countries, continues to undergo the traditional customs procedure. The source of statistical data for Extrastat is single administrative documents. Mathematical-statistical imputations and adjustments, which compensate for the loss of information due to non-response and the application of statistical thresholds, are part of the processing of data for Intrastat. The resulting imputed and adjusted data are available at the levels of HS 2, SITC 1, SITC 2, and CZ-CPA 2.*

### **Methodology and the definitions of basic concepts**

*The statistical value of **dispatched/exported goods** is based on invoiced prices of the goods proper. It only includes those direct trade costs (freight and insurance in particular) that are incidental to the transport of dispatched/exported goods within the Czech Republic, no matter whether paid by the buyer or the seller. It includes neither banking fees and banking compensations related to the dispatch/export of goods nor export-related taxes and levies.*

*The statistical value of **received/imported goods** is based on invoiced prices of the goods proper. It only includes those direct trade costs that are incidental to the transport of received/imported goods outside the Czech Republic, no matter whether paid by the buyer or the seller. It includes neither banking compensations related to the receipt/import of goods nor import-related taxes and levies.*

*For these reasons, these values are now published according to the FOB/CIF methodology instead of the previous FOB/FOB one.*

*The external trade is measured in national currency. The foreign-currency-to-CZK conversion uses the exchange rate determined in compliance with the provisions of Articles 169-171 of Commission Regulation (EEC) No. 2454/1993 of 2 July 1993 and released on the web pages of the Directorate General of Customs (Exchange rate list – Monthly rates for calculation of customs duty and other fees: [www.cz.mfcr.cz/CmsGrc/Servis/Kurzy.htm](http://www.cz.mfcr.cz/CmsGrc/Servis/Kurzy.htm)).*

*Since 1999, following recommendations by Eurostat, the Czech Statistical Office has been using the territorial (geographical) breakdown as given by the Geonomenclature which differs fundamentally from the nomenclature used before. The new breakdown affected the incorporation of some countries into the groupings of countries: for example, Turkey and Cyprus are classified to Europe now, while before 1999 they belonged to Asia. This approach also places these countries among the European developed market economies (previously among the Asian developing economies). Eurostat updates this international nomenclature every year.*

## **Groupings of countries**

**Developed market economies:** EU 25 countries + EFTA countries + other developed market economies.

**EU 25** – (European Union 25 countries): Austria; Belgium; Czech Republic; Cyprus; Denmark; Estonia; Germany; Finland; France (incl. Monaco and departments—French Guiana; Guadeloupe; Martinique; and Réunion); Greece; Hungary; Ireland; Italy; Latvia; Lithuania; Luxembourg; Malta; Netherlands; Poland; Portugal; Slovakia; Slovenia; Spain; Sweden; and the United Kingdom (incl. The Isle of Man and islands Guernsey and Jersey).

**EU 15** – (European Union 15 countries): Austria; Belgium; Denmark; Germany; Finland; France (incl. Monaco and departments—French Guiana; Guadeloupe; Martinique; and Réunion); Greece; Ireland; Italy; Luxembourg; Netherlands; Portugal; Spain; Sweden; and the United Kingdom (incl. the Isle of Man and islands Guernsey and Jersey).

**EFTA countries** (European Free Trade Association): Iceland; Liechtenstein; Norway (incl. territories Svalbard and Jan Mayen); Switzerland.

**Other developed market economies:** Andorra; Australia; Canada; the Faroe Islands; Gibraltar; Greenland; Israel; Japan; New Zealand; South Africa; San Marino; Turkey; United States (incl. Puerto Rico) and Holy See.

**Developing economies:** Afghanistan; Algeria; American Samoa; Angola; Anguilla; Antarctica; Antigua and Barbuda; Argentina; Aruba; Bahamas; Bahrain; Bangladesh; Barbados; Belize; Benin; Bermuda; Bhutan; Bolivia; Botswana; Bouvet Island; Brazil; British Indian Ocean Territory; Brunei Darussalam; Burkina Faso; Burundi; Cambodia; Cameroon; Cape Verde; Cayman Islands; Central African Republic; Ceuta; Chad; Chile; Christmas Island; Cocos Islands; Columbia; Comoros; Congo; Congo, Democratic Republic of; Cook Islands; Costa Rica; Cote d'Ivoire; Djibouty; Dominica; Dominican Republic; Ecuador; Egypt; El Salvador; Equatorial Guinea; Eritrea; Ethiopia; Falkland Islands; Fiji; French Polynesia; French Southern Territories; Gabon; Gambia; Ghana; Grenada; Guam; Guatemala; Guinea; Guinea - Bissau; Guyana; Haiti; Heard Island and McDonald Islands; Honduras; Hong Kong; India; Indonesia; Iran, Islamic Republic of; Iraq; Jamaica; Jordan; Kenya; Kiribati; Korea, Republic of; Kuwait; Lesotho; Lebanon; Liberia; Libyan Arabic Jamahirija; Macao; Madagascar; Malawi; Malaysia; Maldives; Mali; Marshall Islands; Mauritania; Mauritius; Mayotte; Melilla; Mexico; Micronesia, Federated States of; Montserrat; Morocco; Mozambique; Myanmar; Namibia; Nauru; Nepal; Netherlands Antilles; New Caledonia; Nicaragua; Niger; Nigeria; Niue; Norfolk Island; Northern Mariana Islands; Occupied Palestinian Territory; Oman; Pakistan; Palau; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Pitcairn; Qatar; Rwanda; Saint Pierre and Miquelon; Samoa; Saudi Arabia; Sao Tome and Principe; Senegal; Seychelles; Sierra Leone; Singapore; Solomon Islands; Somalia; South Georgia and South Sandwich Islands; Sri Lanka; Saint Helena; Saint Kitts and Nevis; Saint Lucia; St Vincent and the Grenadines; Sudan; Suriname; Swaziland; Syrian Arab Republic; Taiwan; Tanzania, United Republic of; Thailand; Timor-Leste; Togo; Tokelau; Tonga; Trinidad and Tobago; Tunisia; Turks and Caicos Islands; Tuvalu; Uganda; United Arab Emirates; United States Minor Outlying Islands; Uruguay; Virgin Islands (US); Virgin Islands, British; Vanuatu; Venezuela; Wallis and Futuna; Yemen; Zambia; Zimbabwe.

**European transition economies:** Albania; Bosnia and Herzegovina; Bulgaria; Croatia; Kosovo; Macedonia; Montenegro; Romania; Serbia.

**CIS countries** (Commonwealth of Independent States): Armenia; Azerbaijan; Belarus; Georgia; Kazakhstan; Kyrgyzstan; Moldova, Republic of; Russian Federation; Tajikistan; Turkmenistan; Ukraine; Uzbekistan.

**Others:** China, Peoples Republic of; Cuba; Korea, Democratic Peoples Republic of; Lao Peoples Democratic Republic; Mongolia; Viet-Nam.

**OECD** (Organization for Economic Cooperation and Development): Austria; Australia; Belgium; Canada; Cocos Islands; Czech Republic; Denmark; Finland; France; Germany; Greece; Heard Island and McDonald Islands; Hungary; Iceland; Ireland; Italy; Japan; Korea, Republic of; Luxembourg; Mexico; Netherlands; New Zealand; Norfolk Islands; Norway; Poland; Portugal; Slovakia; Spain; Sweden; Switzerland; Turkey; United Kingdom; United States (including Puerto Rico); Christmas Island; Virgin Islands (US).

## Exports and imports at current and constant prices

Exports and imports are reported at current prices. External trade at constant prices is calculated from external trade at current prices (according to SITC, Rev. 3, two-digit codes) and sample indices of nominal prices of exports and imports, with the same period of the previous year taken as the basis. To deflate exports of office machines and automatic data processing machines (SITC 75), price indices of imports of these items were used (identically with the CZSO National Accounts Department), which influenced the change in deflators of exports. The **index of exports or imports at constant prices (index of physical volume)** gives relative changes in the volume of the implemented exchange of goods in current period compared to basic period, not affected by price changes. The **deflator of exports or imports** is the ratio of the index of exports/imports at current prices and the index of exports/imports at constant prices. **Terms of trade** are the ratio of export prices and import prices.

As far as methodology is concerned, the **external trade balance** published in this chapter has been the same since 2000 as the one that is part of the balance-of-payments current account, processed for this Yearbook (Chapter 7. Currency and Balance of Payments) by the Czech National Bank.

### Data comparability

The external trade data cover only material exports and imports for the reference period.

Since 1996, exports have been reported as at the date of releasing goods for export procedure (unlike the formerly date of goods crossing the Czechoslovak border) and imports as at the date of releasing goods for free circulation in the CR.

Changes in the methodology for the statistics on external trade, effective since 2000:

Having consulted the issue of external trade methodology with Eurostat and users of statistical data, the Czech Statistical Office amended the methodology for the statistics on external trade during 2000. Now, the statistics do not include any value of the following:

- 1) ships and aircraft imported for and exported after inward processing; the statistics only include labour input and material and energy consumption for the processing;
- 2) ships and aircraft exported for and imported after outward processing; the statistics only include labour input and material and energy consumption for the processing;
- 3) returned goods—goods that return in an unchanged state for free circulation within three years after they were exported out of the country;
- 4) exported goods whose purpose is not to be left abroad permanently and are assumed to be re-imported;
- 5) monetary gold, in both exports and imports.

The external trade data of the Czech Republic are broken down according to the Harmonized Commodity Description and Coding System. The conversion of the data to SITC, Rev. 3 (Standard International Trade Classification, which is the classification of goods used by the UN and applied in this chapter of the Yearbook) has been made according to correspondence tables.

Measure No. 69/1993 Sb., by the CZSO, put in place the Standard Classification of Production (CZ-CPA), and since 1997 exports and imports have been published in the Statistical Yearbook pursuant to two-digit codes of the CZ-CPA.

All the data on external trade are given in terms of the average exchange rate of CZK to foreign currencies valid in the respective years.

This Statistical Yearbook releases 1996-2000 data converted to comply with the methodology for 2000 for analytical purposes. Conversions for previous years were not made because there was no effect from imports for and exports after inward processing before 1996 (neither aircraft nor ships were imported for inward processing).

Since 1 January 2005 the statistics on external trade do not include information on goods transported to or from the Czech Republic for the purpose of repair or maintenance and returned after repair or maintenance (these cases are included in the statistics on external trade in services).

The data for the years 1995-2004 are final, data for the year 2005 are preliminary. The data for the years 1999-2005 were processed by the CZSO, data for the years 1995-1998 were processed by the Directorate General of Customs.

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Detailed information on external trade is available in the following CZSO publications brought out according to the CZSO Catalogue of Publications 2006:

a) under thematic group 6 – EXTERNAL TRADE:

- “External Trade of the Czech Republic” (Czech-English) – monthly, on the 30th working day following the end of reference period
- “External Trade of the Czech Republic by CZ-CPA” (Czech-English) – quarterly, on the 55th working day following the end of reference period, only in electronic form

b) under thematic group 1 - COMPREHENSIVE INFORMATION, subgroup 11 - Analyses:

- “Zahraniční obchod České republiky” – yearly, data for 2005 and the 1st half of 2006, in the 4th quarter of 2006

c) other regular CZSO publications:

- “CZSO Monthly Statistics” (Czech-English) – monthly
- „Bulletin ČSÚ“ – quarterly
- “Social and Economic Development Indicators of the Czech Republic” (Czech and English) – quarterly.

Czech Trade (Czech agency for promotion of trade), the CZSO, the Ministry of Industry and Trade of the CR, and the Directorate General of Customs jointly brought out the publication “Facts on Foreign Trade of the Czech Republic” (in English).

Data for 1993-1998 or earlier reference periods are provided only by the Information Services Section of the CZSO.

Further data are published on the following web pages of the Czech Statistical Office:

[http://www.czso.cz/eng/redakce.nsf/i/external\\_trade\\_ekon](http://www.czso.cz/eng/redakce.nsf/i/external_trade_ekon)

[http://dw.czso.cz/pls/stazo/STAZO.STAZO?jazyk=EN&prvni\\_pristup=](http://dw.czso.cz/pls/stazo/STAZO.STAZO?jazyk=EN&prvni_pristup=)

– available are data on exports, imports and the balance of external trade starting from 1999. The query system of the pages makes it possible to have a breakdown by commodity (down to the eight-digit and five-digit levels of the Customs Tariff and SITC Rev. 3, respectively), territory (countries, continents, groupings), and period (month, quarter and year). The data on exports and imports are given in thousands of CZK, EUR and USD in FOB/CIF values and trade quantity in kg and supplementary units. The application is also available in English.