

Methodological notes of external trade in goods in national concept

Since 2011 the Czech Statistical Office has been publishing data on the Czech Republic external trade in goods following two concepts – the national concept and the cross border concept. This chapter shows **exclusively the national concept of the external trade statistics**, which reveals facts on the Czech economy performances in exports and imports therefore also on the Czech Republic trade balance in external trade.

The **national concept** is based on the thesis external trade happens in the moment when Czech entities (residents) and foreign entities (non-residents) make mutual trade and the movement of goods across borders may not be the decisive for. Information on the goods movements across borders is provided by the **cross border concept** which, on the contrary, defines exports and imports on the basis of the moment of the movement across the state border, irrespective the trade is made between residents or non-residents.

The **source of information for estimating exports and imports of goods in the national concept** is, first of all, information on cross-border movements of goods (i.e. data of the cross border concept), supplemented from other data sources, mainly from value added tax return forms and industry statistics. The goods, which is moved to and/or from territory of the Czech Republic by foreign entities, is not taken as exports or imports in the national concept. Conversely, the trade carried out among Czech entities and foreign ones on the territory of the Czech Republic is considered exports and imports, which is enabled due to the Czech Republic involvement in the unified European market.

The **information on cross-border movement of goods, i.e. statistics of external trade in goods in the cross border concept** is a total of intra-EU trade (i.e. trade with Member States of the European Union) and trade with non-EU countries. Data on goods, which is the subject of trade among the Member States of the European Union, the reporting units submit to the Customs Office on the form for Intrastat along with data on dispatching or receiving of the goods. Data on goods, which is exported and/or imported within trade with non-EU countries (Extrastat), are given in customs declarations. The collection of these data and primary checks thereof are provided by the General Directorate of Customs.

In compliance with the binding regulations of the EU, the measurement of data on exports and imports is governed by Customs law No. 242/2016 Coll., from 14 July 2016, as amended. Intrastat is governed by Government regulation No. 244/2016 Coll. from 18 May 2016 implementing several provisions of Customs law in the scope of statistics, as amended.

In the statistics of external trade in the national concept, the value of exported goods declared at the border crossing by residents and taken from Intrastat and Extrastat data and the value of goods purchased by foreign entities on the territory of the Czech Republic and taken from value added tax return forms submitted by non-residents in the Czech Republic are considered **exports**.

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

This way, solely the data for non-residents are adjusted when moving from data on the cross-border movement of goods (i.e. cross border concept) to the national concept. **Values of exports and imports reported by Czech entities remain unchanged and therefore they are identical in both the concepts.**

Because the data on the value added tax return forms do not contain information on the commodity structure of purchases and sales of non-residents in the Czech Republic, the commodity structure is derived from the commodity structure of cross-border transactions of the non-residents and from the data of the industry statistics (for entities, which sell their production to non-residents as early as on the territory of the Czech Republic).

Data of both the concepts of external trade contain the value of goods dispatched and received for processing according to a contract (so-called goods sent abroad for processing). The goods is excluded from the values of exports and imports in the external trade balance and national accounts in accordance with the European System of Accounts (ESA 2010) and Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6).

Data on external trade in the national concept are the basic source data for the compilation of the GDP applying the expenditure method and also for the current account of the balance of payments. Besides these data, the later macroeconomic statistics include other items as, for instance, imports of goods by individuals, smuggling, etc. What also differs is the evaluation when imports in the national concept in the external trade statistics are expressed in prices on the borders of the importing country (CIF), while national accounts (sector accounts and quarterly estimates of the GDP) and balance of payments use the value of imports on the border of the exporting country (FOB). Exports are in all statistical domains evaluated identically in prices on the border of the exporting country (FOB). The difference in between both the evaluations of goods consists in costs for transport and insurance of the goods.

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

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

EU28 (European Union) - member states of the European Union from 1 July 2013:

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

Eurozone19 (Euro area – monetary union of 19 European Union member states):

Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain