

Methodological notes of international trade in goods (change of ownership)

Since 2020, the Czech Statistical Office has changed the terminology and the manner in which data is presented. The external trade is now referred to as international trade. **The data based on the change of ownership between residents and non-residents** (formerly called the 'national concept of external trade'), **is now referred to as 'international trade in goods (change of ownership)'**. The 'cross-border concept of external trade' is now referred to as Cross border movements of goods.

Further information: <https://www.czso.cz/csu/czso/changes-in-international-trade-statistics>.

International trade in goods (change of ownership) reflects export and import performance of the Czech economy, i.e. the international trade balance of the Czech Republic as well. It measures real trade in goods carried out between the Czech and foreign entities, i.e. a change of ownership between residents and non-residents. For this reason it better reflects the real Czech Republic's international trade balance than can be obtained from statistics on the cross border movement of goods.

There **are two main data sources** used for compiling data on international trade in goods (change of ownership):

- Data from statistics on cross-border movements of goods pertaining to imports and exports declared by Czech-residents (through Intrastat and Extrastat forms);
- Data from VAT tax returns – this data is used to determine the value of goods purchased and sold by non-resident entities in the territory of the Czech Republic. However, since this data from VAT tax returns does not contain information about the commodity structure of purchases and sales of non-residents in the territory of the Czech Republic, the commodity structure for such purchases and sales needs to be derived from other statistical sources. These sources are the commodity structure of cross-border movements of goods of non-residents and also industry statistics (pertaining to those Czech-residents who sell their production to non-residents in the territory of the Czech Republic).

Data on international trade in goods (change of ownership) is **the basic source data for the compilation of GDP** (based on 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 international trade in goods (change of ownership) 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.

Cross border movements of goods reflects only physical movements of goods across the border regardless of whether the trade between the Czech and foreign entities occurs. This concept is an important source of information for needs of the statistical office of the European Union. These data are internationally comparable and can be used as indicators of development of value of the trade.

Statistics on cross border movements of goods is made up of the sum of intra-Community (with the EU Member States) movements of goods and non-EU countries movements of goods. Data on movements of goods moved among the EU Member States 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 moved from non-EU countries are given in a Single Administrative Document. The Intrastat data processing includes mathematical and statistical imputations, which compensate for information lost due to non-response and introduction of statistical thresholds.

The data for individual quarters of 2019 are final. The data for individual quarters of 2020 are preliminary.

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

EU27_2020 (European Union) - member states of the European Union from 1 February 2020:

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.

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.

Starting from the publishing data for February 2020 (on 6 April 2020), **the method of updating data for the international trade in goods (change of ownership) has been changed**. When data for the reference month is published, six previous months are updated. All months with preliminary data are updated when data for January, March and July is published. Final data shall be published always in September of the following year.