OWNERSHIP PRINCIPLE AND INTERNATIONAL MOVEMENTS OF GOODS: CZECH APPROACH

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DIFERENCE BETWEEN THE IMTS AND OWNERSHIP PRINCIPLE (1)

Non-resident transactions reported by non-residents into the International Merchandise Trade Statistics (IMTS)

- **Basic quasi-transit trade** both with non-EU countries and within the EU
  (not a part of the external trade in the NA and BoP as no change of ownership between residents and non-residents occurs)
DIFFERENCE BETWEEN THE IMTS AND OWNERSHIP PRINCIPLE (2)

- Quasi-transit trade within the reporting economy
  (difference between the value of goods reported at the borders and the real trading value of goods between residents and non-residents in the internal market)

**Purchases by non-residents** = **Export** by domestic economy

**Sales by non-residents** = **Imports** by domestic economy

- Resident (Czech Republic)
  - Purchases from residents = 10 800 mil. EUR
  - Sales to residents = 9 600 mil. EUR

- Non-resident 'VAT-only' in the Czech Republic
  - Non-resident
  - Exports = 11 900 mil. EUR
  - Imports = 8 000 mil. EUR

- Quasi-transit
CZECH APPROACH (1)  
FUNDAMENTALS OF THE ESTIMATE

- **Non-residents’ transactions in the internal market** represents exports and imports (not non-residents’ transactions reported into the IMTS)
  
  => non-residents’ **transactions in the IMTS are substituted** by transactions in the internal market

- **Non-residents’ purchases** from VAT declarations = exports
- **Non-residents’ sales** from VAT declarations = imports

  => **commodity breakdown** is only partly based on the commodity breakdown of non-residents’ transactions in the IMTS

- **Direct residents’ transactions** in the IMTS remain unchanged
CZECH APPROACH (2)  
PROCEDURE OF THE ESTIMATE

1. In order to obtain a reliable commodity estimate, specific coefficients are applied to each commodity group of the non-residents’ data in the IMTS.

2. Exports of commodities considerably affected by basic quasi-transit trade (e.g. computers) are derived from the output by residents.

3. The total sum of adjusted non-residents’ exports and imports in the IMTS are equal to non-residents’ purchases and sales with residents in the internal market.
CZECH APPROACH (3) – SCHEME

IMTS exports
- Individual commodities
  * individual coefficients
- Average commodities
  * average coefficient

Statistical survey
- Output exported via non-residents

Exports via non-residents
- Re-sales between non-residents (data from VAT declarations)

IMTS imports
- Individual commodities
  * individual coefficients
- Average commodities
  * average coefficient

Imports via non-residents
- Sales by non-residents (data from VAT declarations)
- Re-sales between non-residents
IMPACT OF THE ADJUSTMENT IN THE CZECH REPUBLIC

Balance of trade is significantly overestimated according to the IMTS data (CIF/FOB)

Balance of trade in the IMTS +
Balance of direct residents’ trade in the IMTS +
Balance of trade by non-residents in the IMTS

<table>
<thead>
<tr>
<th>Year</th>
<th>IMTS: balance of trade (EUR million)</th>
<th>Ownership principle: balance of trade</th>
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<td>2012</td>
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Thank you for your attention