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DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION

**Expert Group on International Merchandise Trade Statistics**  
**First meeting**  
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*Country Presentation*  
**The Czech Republic**

***Item 9: Imports CIF and FOB***

# 9. VALUATION

## Imports Value CIF/FOB Adjustment

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## Introduction 1

International Merchandise Trade Statistics:  
Concepts and Definitions: Part IV.  
VALUATION: 116. To promote the  
comparability of international merchandise  
trade statistics...

*a) The statistical value of imported goods be  
a CIF-type value*



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## Introduction 2

Balance of Payment Manual (International Monetary Fund): Part X. Goods: Point of valuation: 222. The standard, or rule, is that goods shall cover, in principle, the value of goods and distributive services at the time the goods reach the customs frontier of economy....That is, exports and imports of goods are valued f.o.b. at the customs frontier of exporting economy



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## Possible method of conversion 1

In principle there are two main ways of conversion imports value obtained from foreign trade statistics (c.i.f.) to f.o.b. values for Balance of Payment compilation:

- use data, which are available from the customs and other documents for laying down different ratios
- carry out special survey of importers on transport and other costs



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## Possible method of conversion 2

The quality of the adjustment method is defined by the following parameters:

- different ratios for different partners
- different ratios for different delivery terms
- different ratios for different mode of transport
- different ratios for different product groups
- frequency of the updates of the used ratio



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## Possible method of conversion 3

Using available data sources:

The method is based on the differences between the invoice value and the statistical value. Extremely promising in theory.

Minimal condition to be met: availability of invoice values and delivery terms for each transaction

Advantages: no further costs

Disadvantages: Limited quality of the difference between these two values, no information concerning invoice values on SAD in EU



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## Possible method of conversion 4

Using available data sources:

Different methods based on:

- differences between invoice and statistical values (various detail level: from one ratio for all imports transactions to the ratios on very detailed level)
- weight/distance/unit costs - unit costs taken from transport statistics (various detail level taking into account various groups of the goods)



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## Possible method of conversion 5

Special survey of importers:

The method is based on creating of the special questionnaire to carry out survey

Advantages: better data quality, possibility to design survey depending on the imports pattern

Disadvantages: surveys are always costly, additional burden on surveyed enterprises, limited number of importers take part in such surveys, low response rate



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## Czech solution of the adjustment 1

Method: using available data sources

Data source: data obtained from SAD before accession CZ to EU  
(data of the year 2003 and four months of the year 2004)

Step 1: creating 11 groups of states according the distances from  
CZ and the imports pattern

Step 2: for each group calculation of radios depending on the  
delivery terms group and within of these groups according the  
mode of transport groups

Step 3: creating the matrix of 144 ratios and using them for imports  
FOB value calculation (based on invoice value)



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## Czech solution of the adjustment 2

Strengths:

- no other costs and burden for respondents

Weaknesses:

- necessity to refresh ratios by new regular survey of ancillary costs
- no commodity division
- in case of trade with third countries (non EU)  
necessity to calculate as the first step invoice value  
(share on the whole imports less than 29 %)



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**The end**

Thank you for your attention



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