

Methodological sheet

Export and import prices

I. Definition and content

The basis of implementation prices are invoiced prices of significant import and export trade transactions - they are converted into CZK by average monthly exchange rates declared by the Czech National Bank. This is carried out either by a reporting unit or the Czech Statistical Office if prices are reported in a foreign currency. The price indices reflect thus **changes in foreign exchange rates**, too. The stated prices are free of duty, value added tax and consumer tax.

II. Sources and methodology of ascertainment

The **price representatives** were **chosen** by economic subjects important for the external trade of the Czech Republic - about 580 of them engaged in exports and about 590 in imports. At present, the weight pattern includes approximately 2050 exported and 2100 imported products, raw materials and supplies - price representatives, which take up a significant share in the value of rather significant groups traded in the framework of external trade.

III. Break-down

The indices published in the database are the following:

- a) Previous period = 100
- b) Corresponding period of previous year = 100
- c) 2015 average = 100
- d) Ratio of two rolling averages of the type "c" index (the average of last 12 months' index numbers to the average for previous 12 months)

Both the indices, i.e. the import price index and the export price index, are further broken down as follows:

- according to the nomenclature of the Harmonized System (HS)
- according to the main groups of the SITC Classification

IV. Method of calculation

The calculation of the total indices is carried out according to a Laspeyres-type formula:

$$I = \frac{\sum \frac{p_1}{p_0} \cdot p_0 \cdot q_0}{\sum p_0 \cdot q_0} \cdot 100$$

p1 - price in the period under review

p0 - price in the basic period

p0q0 - constant weight - value indicator of the basic period (value of the realization of foreign trade in the year 2015)

If the respective price representative is traded in several countries, the reporting units mention average prices as a weighted arithmetical average of the prices attained at major events.

The basic price period is the average of the year 2015.

V. Change in methodology

Within the framework of the revision that was implemented in 2015, the selection of the representatives was revised. From January 2018, export and import price indices are calculated using new weighting scheme based upon External trade statistics data from year 2015 and implementing new price base year 2015 average = 100.

V. Reporting entities

The reporting entities are selected economic entities providing for export or import of goods.