

### BRIEF METHODOLOGY AND PRACTICE OF COMPILATION OF EXTERNAL MERCHANDISE TRADE STATISTICS IN GEORGIA

External Merchandise Trade Statistics is compiled according to the international methodology of the United Nations Statistics Department “International Merchandise Trade Statistics, Concepts and Definitions, 2010” (United Nations, New York, 2011) and “International Merchandise Trade Statistics: Compilers Manual, Revision 1” (IMTS 2010-CM)), (United Nations, New York, USA 2013).

For compilation of External Merchandise Trade statistics Georgia uses the “general method”, which means that crossing a border of the economic territory of the country is the main criterion for determining exports and imports.

Export implies both domestic exports and re-exports of imported goods. Domestic exports include export of goods produced in the country, as well as imported from abroad, the value of which has significantly changed as a result of domestic processing.

$$\text{EXPORTS} = \text{DOMESTIC EXPORTS} + \text{RE-EXPORTS}$$

Import implies importing of the production and re-import of exported goods.

Export is valued at FOB prices, which means that the seller’s obligation to deliver is fulfilled when the goods have passed over the ship’s rail at the named port of shipment while import is valued at CIF prices, that is, transportation costs to the border of the importing country included in the prices as well as insurance costs.

**External trade turnover** is calculated as a sum of exports and imports.

$$\text{EXTERNAL TRADE TURNOVER} = \text{EXPORTS} + \text{IMPORTS}$$

**External trade balance** is calculated as a difference between exports and imports.

$$\text{EXTERNAL TRADE BALANCE} = \text{EXPORTS} - \text{IMPORTS}$$

There are the following criteria to determine the partner country: for imports the sending country, while for exports the country of final destination.

Database of Customs Declarations (DDBC) is the main information source on external trade transactions. National Statistics office (NSO) receives DDBC from the Revenue Service of Ministry of Finance of Georgia on a monthly basis. Also Information on gas and electric power is obtained from LTD Georgian Gas Transportation Company, JSC Georgian Oil and Gas Corporation, JSC Georgian State Electrosystem and JSC Electricity System Commercial Operator, to complete the data.

Based on received information, NSO carries out the following activities:

- Verifies main indicators of the DBCD – commodity codes, prices, weights, dates of customs declarations, country codes for origin/destination, non-existent codes of country and commodity;
- Controls the limits on prices of main commodity and adjusts quantity or prices or supplementary unit;
- Excludes from the database commodities which should not be classified as external merchandise trade according to the internationally approved methodology (securities, bank notes and coins in circulation; diplomatic and other analogous goods).

Information does not cover the data of Simplified Customs Declarations (Form N4), also occupied territories of Abkhazian Autonomous Republic and Tskhinvali region.

For import-export transactions “Commodity Nomenclature for External Economic Activities” is used based on the “Harmonized Commodity Coding and Description System” (HS2017).

The value indicators are given in USD. Calculation of the statistical value in USD is carried out by relevant services during the registration of customs declarations according to the official exchange rates established by the Interbank Monetary Exchange at the moment of the registration.

Dynamic series of External Merchandise Trade Statistics are available since 1995. The information are detailed by countries, commodity groups (HS, Broad Economic Categories - BEC, Standard International Trade Classification – SITC) and mode of transport. Since October 2018, external merchandise trade data are disseminated with the breakdown by classification of economic activities (NACE Rev.2) and by size of traders.

Data are compiled and disseminated on a monthly basis. Since 2012 Geostat started publishing express release 13 days after finishing reference month. It contains aggregated data on exports, imports, trade turnover and trade balance. Since 2016 detailed information is published 19 days after finishing reference month. In addition, detailed overview of Domestic Exports are disseminated since January 2020. Data on the new statistical product is released on 19th day after the end of reference month.

**Notice:** Detailed methodology is available at:

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