

## Statistics specification : Foreign trade of goods by Finnish regions; 2016 (1-6)

Due to a procedural change in the statistics compilation process of the regional foreign trade statistics, the statistical information by region since the year 2013 is not entirely comparable to the information for earlier years. Until the year 2012, these statistics were based on the information of companies whose import or export value in goods trade:

- a) exceeded 12 000 euros per year and was accumulated during at least two months or
- b) exceeded 120 000 per year.

Since the year 2013, these statistics include the foreign trade of all companies without a value limit.

The regional foreign trade statistics are based on the information on import and export values provided by companies engaged in foreign trade. Therefore, the statistics include not only industry but also other branches of business, such as wholesale, retail and car trade, mining and building, companies conducting re-export, and the goods trade carried out by companies operating in the service industries. Foreign trade in services is not included in the statistics.

The statistics indicate cross-border goods trade according to the region of Finland to which the company has assigned the Intrastat declaration for export or import or the customs declaration. One company may have many offices in Finland, which are reported to Customs using, in addition to the Business ID, also the office ID of the company. Some large companies lodge their declarations in a centralised manner, in which case there is no office-specific information available in the Intrastat or customs declarations. In such cases, the office-specific distribution for these large companies has been estimated by Customs according to the office-specific declarations of previous years. Efforts have been made to correct the location of the company in the material, if the company, according to the information obtained by Customs, has actual production in another region than the one where the head office of the company is located. The changes in the value of the regions' exports and imports from year to year may to some extent be due to these manual corrections in the material, especially if a region's exports or the imports are very concentrated.

Information on internal trade, i.e. the trade between the EU Member States, is collected through the Intrastat system from operators obliged to provide information. The system includes only the companies which exceed the threshold value for import and/or export which is set each year. The only data available on the EU trade conducted by companies excluded from Intrastat is the information provided in declarations submitted to the Tax Administration. As regards the periodic tax material, the total value of Community acquisitions or sales is used. As the periodic tax material does not contain any country-specific information on foreign trade or any goods category details, the only information that can be provided in the statistics for these companies is the total value of their foreign trade in terms of import and export, and the branches of industry. Information on external trade, i.e. trade with non-EU countries, is obtained from the customs clearance system.

The export statistics are compiled based on the FOB value ("free on board"), and the import statistics based on the CIF value ("cost, insurance, and freight"). The information in question is gathered on the border of Finland. The industrial classification used in the compilation of the statistics is the European Community's classification of Economic Activities (NACE/TOL). The statistics combine the business branches under industry, trade and other branches in the following way:

industry = category C: Industry

trade = category G: Wholesale and retail trade; repair of motor vehicles and motorcycles

other branches of business = other categories (other than C and G).

In the first phase of the statistics compilation process, the company-specific statistical information on external trade is combined with the declaration-specific postal codes, and the statistical information on internal trade is combined with the postal codes in accordance with the Intrastat address information in Customs' customer register. The observations within internal trade that remain below the threshold value, and missing observations, are extracted from the Tax Administration's periodic tax material. The statistics on internal and external trade are then combined. In the next phase, postal codes of companies with an import or export value of more than five million euros per year are corrected, as needed, in the statistics at office level. Lastly, any missing postal code information is supplemented with information extracted from the company address chart maintained by Customs Statistics, after which the statistics are combined with the postal code and region key of Statistics Finland. Based on the material thus compiled, the region-specific export and import statistics are summarised.

In addition, a calculation is made of the number of offices by region of companies whose foreign trade (exports and imports combined) exceeds 5 000 euros over the first half of the year. The value limit of 5 000 euros is the same as in Eurostat's TEC statistics (Trade by Enterprise Characteristics). A company may have several offices in different parts of Finland, in which case the company submits the information to Customs using not only the Business ID but also the office ID. As for the number of offices, a company is registered only once if it does not have any offices and it only operates in one region.

In the last phase, the material of the previous phase is combined with the industrial classification (TOL) and type of ownership (OTY) information of the company address chart at Business ID level. Then the export and import statistics are summarised according to industrial classification and type of ownership.

The data for the first half of 2016 are preliminary. The preliminary data for the whole of 2016 will be published in March 2017, and the final data in September 2017.