

## **Product description: Foreign Trade Statistics in terms of the type of ownership of the enterprise (year 2005)**

### **Purpose of use and statutory basis**

Foreign Trade Statistics describes the trade of goods between Finland and other Member States of the European Union (EU), and between Finland and Third Countries i.e. intra and extra EU trade. Foreign Trade Statistics is the official information source on importation, exportation, and balance of trade of Finland. Foreign Trade Statistics is an instrument of importance for decision makers, planners, and researchers in the public and private sectors, as well as in their operations in EU and many international organisations.

Foreign Trade Statistics is based on the legislation of the European Community, as well as on the national Customs Act of Finland (1466/94) and the Statistics Act (280/2004). The EU legislation is divided in two parts. The Council's basic regulation on internal trade statistics (EC) No 638/2004 provides the methodological basis for the statistics on internal trade, furthermore the Council Regulation (EC) No 1172/95 lays down provisions as regards statistics on external trade, i.e. trade of the community and its member states with third countries.

### **Concepts, definitions, and classifications**

Statistical registration of goods is based on the Combined Nomenclature (CN). The Combined Nomenclature is based on a Harmonized Description and Coding System (World Customs Organisation WCO) and applied in the European Community for tariffing, and compilation of statistics.

Exportation is registered according to the country of destination for its FOB value ("free on board"). Importation is registered according to the country of origin for its CIF value ("cost, insurance and freight"). In the Survey of Foreign Trade in terms of the type of ownership of the enterprise, the statistical material based on the CN classification, has also been compiled according to following classification:

- According to the type of activity; Classification of Products by Activities (CPA)
- Standard industrial classification by EC; Nomenclature générale des Activités économiques dans les Communautés européennes (NACE 2002). The enterprise receives a NACE-code which is based on its main area of economic activity.
- Information on the type of ownership of the enterprise is based on actual information received from Statistics Finland. The types of ownership of the enterprise are classified as follows:

Private national, government sector, local government ownership, ownership by Provincial Government of Åland, foreign ownership and other type of ownership. For each enterprise, ownership data is defined so that condition of criteria is that the main owners of the enterprise have over 50 percent share of the votes in the enterprise.

The government sector contains the foreign trade of the government enterprises, as well as the trade of state-owned enterprises.

In this survey the variables: ownership by local government and by the Provincial Government of Åland, as well as of other ownership have been united as a new class which is called "other types of ownership in total".

It has not been possible to define the the type of ownership for some enterprises. Those have been taken into account in this survey as a group "undefined".

### **Reliability and timing of the Foreign Trade Statistics**

The figures in the survey are final.