

METHODOLOGICAL NOTES AND SOURCES

1. Data sources

1.1. Legal background

Statistical data on exports and imports of goods are collected, verified, processed by the Customs Service, according to the article 321 of the Custom Code of the Republic of Moldova no.1149 from 20.07.2000 and presented to the National Bureau of Statistics for verification, validation, processing, rectification, completing and dissemination according the Law on Official Statistics of the Republic of Moldova no. 93 from May 26, 2017 (Articles 13, 14, 16, 18, 19, 23 and 24).

1.2. Data sources

The basic document for statistical reporting for exports/imports of goods – the subject of commercial transactions – is the detailed Customs Declaration, which is filled in at the Customs points at the moment when the goods enter or leave the country. For the goods transported by cable or pipes, the source of operative data is the statistical report № EI-I “Export (Import) of electricity and natural gas” filled in by the importer or exporter based on the documents of reception-delivery.

2. Methodological notes

2.1. External trade of goods Statistics of the Republic of Moldova is produced according the recommendations of the Statistical Commission of United Nations (*International Merchandise Trade Statistics – Concepts and Definitions, 2010 Series M No. 52*), and EUROSTAT legislation on international trade of goods with third countries (EXTRASTAT).

The definitions of custom regime relevant for determining the trade system and the coverage area are used in the development of external trade statistics.

2.2. Statistical territory

The territory taken into account in the External Trade Statistics OF Republic of Moldova is referred to the economic territory of the country, to which the national custom legislation applies, but it does not coincide with the geographic area of the country (excepting the region from the left side of the river Nistru).

2.3. Trade system used in the production of statistics on External Trade of the Republic of Moldova is **General Trade System**.

2.4. External trade with goods covers the totality of tangible goods, which are added to the stock of material resources of the country (imports) or are taken off them (exports), by entering or leaving the territory of the country.

There are distinguished three types of imported goods:

- Foreign goods (other than compensating products after outward processing);
- Foreign goods compensating products after outward processing;
- Domestic goods in the same state as previously exported.

There are distinguished three types of exported goods:

- Domestic goods from the free circulation area or industrial free zones;
- Domestic goods compensating products after inward processing;
- Foreign goods in the same state as previously imported.

There are some goods, which can be subject to Customs entrances; however, according methodological provisions of external trade, the following items are excluded from the volume of Exports-Imports of the Republic of Moldova:

- *Monetary gold, gold pieces and bars exchanged between monetary institutions;*
- *Issued banknotes and securities and coins in circulation;*
- *Goods temporarily admitted or dispatched.* Moldovan goods which are temporarily abroad and, accordingly, foreign goods temporarily placed in our country (which within a limited time of use shall be returned in the origin country) for trade fairs and exhibitions, commercial samples and pedagogic material, packaging, means of transport, containers and equipment connected with transport, animals for breeding, show or racing, are excluded from external trade with goods;
- *Goods in transit* on the territory of the Republic of Moldova (for transport reasons), goods entering or leaving the country with the exclusive purpose of reaching a third country, are excluded since they do not add to or subtract from the stock of material resources of the country through which they pass;
- *Goods consigned to and from territorial enclaves.* The economic territory of a country includes any territorial enclaves (embassies, foreign military and other installations) that are physically located within geographic boundaries of another country, and excludes the enclaves of other countries and international organisations located within its own geographic boundaries. Therefore, the movement of merchandise between a country and its enclaves abroad is considered as an internal flow, and should be excluded from the imports and exports of host country (the country that has the territorial enclaves of other countries and international organisations within its geographic boundaries). Similarly, goods received or sent abroad by international organisations are excluded from the merchandise trade statistics of the host countries.
- *Non-financial assets, ownership of which has been transferred from residents to non-residents, without crossing borders.* These assets include land, structures, equipment and inventories. Such a transfer of ownership of non-financial assets is considered to be a financial operation, and is therefore excluded from international merchandise trade statistics;
- *Goods treated as part of trade in services.* This category comprises:
 - goods acquired by all categories of travellers, including non-resident workers, for their own use and carried across the border in amounts or values not exceeding those established by the national law;
 - newspapers and periodicals sent under direct subscription;
 - goods purchased by foreign Governments through their embassies or their foreign military or other installations located in the economic territory of a host country for their own use;
 - diskettes or CD-ROMs with stored computer software and/or data developed to order; audio- and videotapes containing original recordings; customised blueprints, etc.;
- *Fish caught on the high seas by national vessels of a country and landed in its economic territory;*
- *Goods which are acquired and relinquished by non-residents* within the same recording period, and which do not cross the frontiers of this country;
- *Goods under operational lease (rent or use for a time less than one year);*

- *Goods lost or destroyed after leaving the economic territory of the exporting country but before entering the economic territory of the intended importing country are to be excluded from imports of the intended importing country* (although they are included as exports of the exporting country);
- *Empty bottles* which are returned to be refilled are considered as “means of transport” and are accordingly excluded;
- *Waste and scrap* having no positive value are to be excluded;
- *Food and fuel acquired by Moldovan vessels or aircraft outside the national territory are not included in imports*;
- *Goods with the value under valuation threshold for custom taxation, established by the national legislation.*

2.5. Statistical value of exports and imports

Statistical valuation of exports is produced in FOB prices, statistical valuation of imports – in CIF prices.

In the case of **exports**, value in FOB prices represents the value of the exported goods at the place and the date when the goods leave the statistical territory of the Republic of Moldova (value at which goods have been sold by the exporter, including transport cost and other expenses for bringing up and loading the goods on the transport means at the border of the country) .

For **imports** value in the CIF prices which represents the custom value of imported goods at the at the border post of entry in the Republic of Moldova (value at which the goods are purchased by the importer, including the costs of transport and insurance costs for bringing the goods up to the frontier of the country).

Statistical value is recorded in national currency and it is calculated by transforming the operation currency in Lei, according legal provisions.

Statistical value does not include any charges resulting from import or export, such as: custom taxes, VAT, excises or other similar taxes.

In case of goods that represent humanitarian aid, object of barter operations, etc., the estimation of exports/imports of goods is calculated in the prices of the same goods for which the import/export operations are performed, on commercial basis or in prices of world market.

2.6. Conversion of foreign currencies in national currency, US Dollars, Euro

The value of international transactions can be expressed in a variety of currencies. Conversion of foreign currencies in Lei is performed based on official rates established by the National Bank of the Republic of Moldova at the date of registration of custom declaration.

Data in US Dollars and Euro are calculated according data in Lei, using the official rate of the National Bank for the two currencies.

2.7. Quantitative reporting of goods

Quantitative reporting of goods, both for exports and imports, is done in net mass (weight) expressed in kilograms (excluding packages) and for some goods – in one or more quantity units specific for certain goods, mentioned in parallel with types of goods in the Nomenclature of Goods – pieces, m³, pairs, kW/h, etc.

2.8. Geographic distribution of exports (imports)

Distribution by countries of exported goods is performed by the last country of destination of goods, while for imports – by the country of origin.

The “**country of destination**” for exports is considered the last known country at the export moment, where goods are to be dispatched for consumption (public and private consumption, or used in the production process).

The “**country of origin**” for imports is considered the country where the goods were processed completely or the last country where the goods were significantly changed (in case when two or more countries were involved in the production process).

If the country of last destination or the origin country of the goods is unknown at the delivery moment then the export (import) is set by the country of consignment/destination of goods.

3. Nomenclatures and Classifications used in the external trade statistics of goods

3.1. Combined Nomenclature of Goods

External trade of goods statistics of the Republic of Moldova is produced according to the international methodology, the exported-imported goods are classified according the Combined Nomenclature of Goods, which is in line with Harmonized Commodity Description and Coding Systems (HS- 2017) and EU Combined Nomenclature (CN).The **Combined Nomenclature of Goods** was approved by the law of the Republic of Moldova no. 275 of 29.11.2018, being implemented from 01 January 2020.

The first six digits of the codes of goods in the Combined Nomenclature of goods correspond fully with the Harmonized System (HS-2017), 6-digit code plus the 7 and 8 digits shall correspond with the Combined Nomenclature of the European Union, the 9 - figure shows details of the goods.

The **Combined Nomenclature of goods** represents the multifunctional classification of goods circulating on the world market and includes the codes, names and corresponding to the description of the goods classification systems applied in international practice, placed on or removed from the customs territory, and also the amount of duty to those goods. The Nomenclature is used for the purpose of implementing tariff and non-tariff measures to regulate the external economic activity of the state, to improve the statistical evidence and to exchange information on the movement of goods externally, and to align them with international standards. The criterion which lays at the basis of this nomenclature is the nature of the goods, a list of the goods being made depending on the degree of processing: raw materials, semi-finished and finished products.

3.2. Other Classifications and Nomenclatures

Standard International Trade Classification (SITC Rev. 4) is most suitable for economic analyses; the goods are classified according processing stage and also the Classification of **Big Economic Categories (BEC)**, where the SITC Rev. 4 goods are grouped in big economic classes according their final use, relevant for statistical analyses and National Accounts.

Data on goods from the International Standard International Trade Classification, of Big Economic Categories (BEC), are produced based on transition tables between these nomenclatures and the Combined Nomenclature of Goods.

The Classification of countries and territories developed by UN Statistical Division (ISO Standard 3166-88) was used until 2005. **The nomenclature of countries and territories** used for external trade statistics of European Union and its relations with member-states and third countries is the Regulation CE 1833/2006 from December, 13, 2006.

The countries are grouped by continents according recommendations of statistical office of European Union (EUROSTAT), while economic groups by countries are presented by the UN monthly statistical Bulletin.

Commonwealth of Independent States (CIS): Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Republic of Moldova, Russian Federation, Tajikistan, Turkmenistan, Uzbekistan, Ukraine.

European Union (EU): Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom of Great Britain and Northern Ireland.

OECD countries: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxemburg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America.

EFTA countries: Switzerland, Iceland, Liechtenstein, Norway.

OPEC countries: Algeria, Angola, Gabon, Equatorial Guinea, Iraq, Iran, Kuwait, Libya, Nigeria, Republic of Congo, Saudi Arabia, United Arab Emirates, Venezuela.

CEFTA countries: Albania, Bosnia and Herzegovina, Kosovo, Northern Macedonia, Montenegro, Republic of Moldova, Serbia.

BSEC countries: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Republic of Moldova, Romania, Russian Federation, Turkey, Serbia, Ukraine.

4. Indices

4.1. Value indices

The value indices show the general trend of the evolution of exports, imports and is determined as the ratio between value volumes (US dollars) of the reporting year (period) and those of the base year (period).

4.2. Annual variation or annual change rate

The annual (infra annual) change or the annual (infra annual) rate of change of exports and imports shows how many percentages increased or decreased the level of the indicator in the reporting year (period) compared to the base year (period). Annual (infra annual) variation was determined on the basis of data expressed in US dollars.

4.3. Indices of unit value for exported and imported goods

Indices of unit value for exported and imported goods are calculated based on unit values (average) expressed in Lei (US dollars), according to the Paasche formula. The basis of calculation used for calculating unit value indices for exported and imported goods is the previous year (quarter).

4.4. Data sources

The calculation of unit value indices is based on data from separate customs declarations for each commodity (9 digits), group of goods (6,4 and 2 digits) and total exports (imports) according to the Combined Nomenclature of Goods. The goods chosen for the calculation (representative goods) include all homogeneous goods, with available information on quantity and cost, and that were present in both the reporting period and the base period. For the aggregation of unit value indices calculated at 9-digit level on various levels of the Combined

Nomenclature of Goods and on total exports (imports), the value of the goods in the current period is used as the weighting element.