

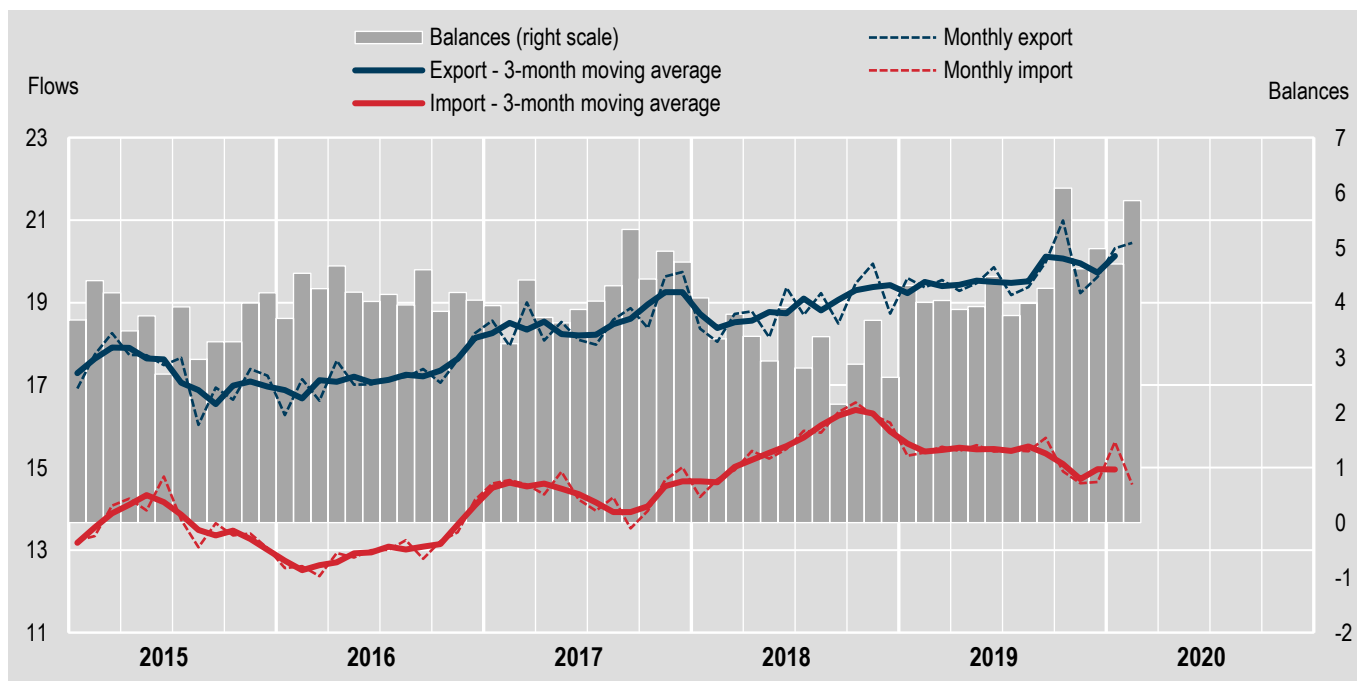
February 2020

## FOREIGN TRADE WITH NON-EU COUNTRIES

- Starting from February 2020 data, with the exit of the United Kingdom from the European Union, Istat starts dissemination of Italy's foreign trade data with non-EU27 countries, in line with Eurostat dissemination policy<sup>1</sup>. Time series for the non-EU27 area have been reconstructed to make the comparisons consistent.
- Data on Italy's foreign trade with non-EU27 countries in February 2020 are preliminary. The results of the survey on total foreign trade in February 2020 will be disseminated on coming 17 April 2020.
- In February 2020 exports to non-EU27 countries increased by 6.4% and imports decreased by 3.6% compared with the same month of the previous year.
- The trade balance showed a surplus of 5,096 million euro compared with a 3,420 million euro surplus in the same month of 2019.
- In February 2020, in seasonally adjusted terms, exports increased by 0.6% and imports decreased by 6.6% compared with January 2020. Over the last three months, seasonally adjusted data showed a 0.3% increase in outgoing flows and a 0.9% decrease in incoming flows in comparison with the previous three months.
- In February 2020 excluding energy, the trade balance showed a surplus of 7,733 million euro compared to the surplus of 6,484 million euro of February 2019.
- For the former non-EU28 area, which does not include the United Kingdom, in February 2020, exports increased by 7.8% and imports decreased by 3.7% compared with the same month of the previous year. In seasonally adjusted terms, exports rose by 0.8% and import declined by 7.2% compared with January 2020. The trade balance showed a surplus of 3,909 million euro (equal to 2,156 million in February 2019).

### CHART 1. TRADE FLOWS WITH NON-EU27 COUNTRIES AND TRADE BALANCES

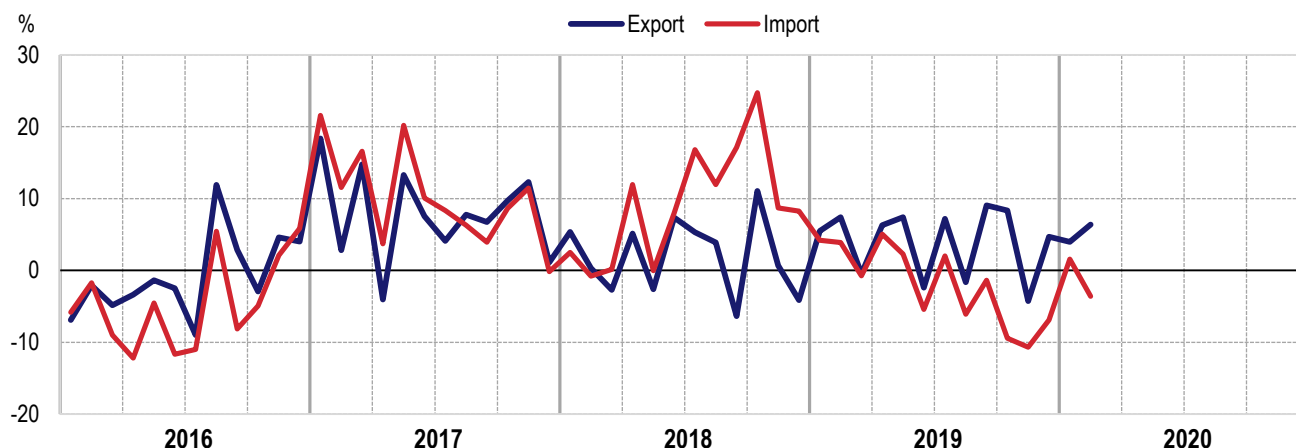
January 2015 - February 2020, monthly import and export, 3 months moving average (left scale) and trade balances in billions of euros (right scale), seasonally adjusted data



<sup>1</sup> As explained in the Methodological Note, preliminary data for the new non-EU27 area include estimated values for the United Kingdom. With their first revision in the following month and dissemination on the Press Release Foreign Trade and Import Prices, they will include the United Kingdom data, processed on the basis of the information that becomes available.

**CHART 2. TRADE FLOWS WITH NON-EU27 COUNTRIES, MONTH ON SAME MONTH A YEAR AGO PERCENTAGE CHANGES**

January 2016 - February 2020, non- seasonally adjusted data



**TABLE 1. EXPORTS, IMPORTS AND TRADE BALANCE WITH NON-EU27 COUNTRIES**

February 2020, months on same months a year ago and months on previous months percentage changes, trade balance in millions of euros

|               | SEASONALLY ADJUSTED |                           |                                 | NON-SEASONALLY ADJUSTED |                                  |                    |                              |
|---------------|---------------------|---------------------------|---------------------------------|-------------------------|----------------------------------|--------------------|------------------------------|
|               | Millions of euros   | Months on previous months |                                 | Millions of euros       | Months on same months a year ago |                    |                              |
|               | Feb. 2020           | Feb. 20<br>Jan. 20        | Dec. 19-Feb. 20<br>Sep.-Nov. 19 | Feb. 2020               | Jan.-Feb. 20                     | Feb. 20<br>Feb. 19 | Jan.-Feb. 20<br>Jan.-Feb. 19 |
| Exports       | +20,445             | +0.6                      | +0.3                            | +19,158                 | +36,669                          | +6.4               | +5.2                         |
| Imports       | +14,592             | -6.6                      | -0.9                            | +14,062                 | +30,633                          | -3.6               | -0.9                         |
| Trade balance | +5,853              |                           |                                 | +5,096                  | +6,036                           |                    |                              |

**TABLE 2. EXPORTS, IMPORTS AND TRADE BALANCE WITH NON-EU27 COUNTRIES BY MAIN INDUSTRIAL GROUPINGS**

February 2020, shares, months on same months a year ago percentage changes, trade balance in millions of euros

| MIGS                    | EXPORTS      |                                  |                              | IMPORTS      |                                  |                              | TRADE BALANCES    |               |
|-------------------------|--------------|----------------------------------|------------------------------|--------------|----------------------------------|------------------------------|-------------------|---------------|
|                         | Share<br>(a) | Months on same months a year ago |                              | Share<br>(a) | Months on same months a year ago |                              | Millions of euros |               |
|                         |              | Feb. 20<br>Feb. 19               | Jan.-Feb. 20<br>Jan.-Feb. 19 |              | Feb. 20<br>Feb. 19               | Jan.-Feb. 20<br>Jan.-Feb. 19 | Feb. 2020         | Jan.-Feb. 20  |
| Consumer goods          | 17.9         | +7.5                             | +4.5                         | 11.3         | +0.1                             | +2.4                         | +2,959            | +5,085        |
| - consumer durables     | 3.2          | +0.3                             | -1.8                         | 1.7          | +10.6                            | +4.2                         | +641              | +992          |
| - consumer non durables | 14.7         | +9.1                             | +5.8                         | 9.6          | -1.5                             | +2.1                         | +2,318            | +4,093        |
| Capital goods           | 17.2         | +5.4                             | +5.9                         | 8.4          | +0.7                             | +2.4                         | +4,118            | +6,900        |
| Intermediate goods      | 12.8         | +6.3                             | +4.3                         | 12.9         | -3.4                             | -5.9                         | +656              | +313          |
| Energy                  | 1.5          | +6.2                             | +16.0                        | 10.7         | -11.3                            | -0.2                         | -2,637            | -6,263        |
| Total (except energy)   | 47.8         | +6.4                             | +4.9                         | 32.5         | -1.2                             | -1.1                         | +7,733            | +12,298       |
| <b>Total</b>            | <b>49.3</b>  | <b>+6.4</b>                      | <b>+5.2</b>                  | <b>43.2</b>  | <b>-3.6</b>                      | <b>-0.9</b>                  | <b>+5,096</b>     | <b>+6,036</b> |

(a) Calculated on 2019 total foreign trade.

**TABLE 3. EXPORTS, IMPORTS AND TRADE BALANCES WITH NON-EU27 COUNTRIES BY MAIN TRADE PARTNER**

February 2020, shares, months on same months a year ago percentage changes for imports and exports and trade balance in millions of euros

| COUNTRIES                     | EXPORTS      |                                     |              | IMPORTS      |                                     |              | TRADE BALANCE     |               |
|-------------------------------|--------------|-------------------------------------|--------------|--------------|-------------------------------------|--------------|-------------------|---------------|
|                               | Share<br>(a) | Months on same months a<br>year ago |              | Share<br>(a) | Months on same months a<br>year ago |              | Millions of euros |               |
|                               |              | Feb. 20                             | Jan.-Feb. 20 |              | Feb. 20                             | Jan.-Feb. 20 | Feb. 2020         | Jan.-Feb. 20  |
|                               |              | Feb. 19                             | Jan.-Feb. 19 |              | Feb. 19                             | Jan.-Feb. 19 |                   |               |
| European non-EU countries     | 16.2         | -29.4                               | -12.1        | 12.5         | -22.1                               | -16.9        | +987              | +2,781        |
| United Kingdom (b)            | 5.2          | -4.4                                | -1.7         | 2.5          | -2.1                                | -6.5         | +1,188            | +2,416        |
| Russian Fed.                  | 1.7          | +13.8                               | +6.3         | 3.4          | -4.5                                | -17.9        | -355              | -898          |
| Switzerland                   | 5.5          | +5.9                                | +5.1         | 2.6          | +4.8                                | +0.7         | +1,200            | +2,355        |
| Turkey                        | 1.8          | +36.6                               | +35.9        | 2.2          | -1.8                                | -1.8         | -17               | -160          |
| North Africa                  | 2.5          | +4.3                                | -0.3         | 3.4          | -32.0                               | -16.9        | +52               | -511          |
| Other African countries       | 1.2          | +15.3                               | +26.2        | 1.6          | -5.9                                | +8.1         | -122              | -227          |
| North America                 | 10.5         | +20.9                               | +15.8        | 4.4          | -8.7                                | +4.9         | +3,311            | +5,665        |
| United States                 | 9.6          | +22.4                               | +16.1        | 4.0          | -10.9                               | +1.6         | +3,096            | +5,325        |
| Central and South America     | 2.9          | -1.0                                | -3.3         | 2.3          | -11.1                               | -14.6        | +375              | +535          |
| Middle Eastern countries      | 3.7          | +7.8                                | +7.0         | 4.1          | +1.7                                | +9.8         | +162              | -275          |
| Other Asian countries         | 10.2         | -6.3                                | -5.3         | 14.4         | +3.3                                | +5.1         | -1,485            | -4,283        |
| China                         | 2.7          | -21.6                               | -16.8        | 7.5          | +1.2                                | +2.5         | -1,750            | -4,184        |
| Japan                         | 1.6          | +14.7                               | +23.1        | 1.0          | -15.1                               | -5.9         | +363              | +607          |
| India                         | 0.8          | -9.2                                | -12.3        | 1.2          | +17.3                               | +14.4        | -186              | -440          |
| Oceania and other territories | 2.1          | +9.8                                | +2.4         | 0.5          | +4.9                                | +2.6         | +630              | +1,164        |
| OPEC                          | 3.3          | +13.3                               | +14.5        | 5.2          | -22.8                               | -7.3         | -25               | -991          |
| MERCOSUR                      | 1.1          | +2.5                                | -0.7         | 1.1          | -24.9                               | -29.3        | +126              | +160          |
| ASEAN                         | 1.8          | +5.6                                | +2.4         | 2.2          | +6.9                                | +7.0         | -118              | -442          |
| <b>Total</b>                  | <b>49.3</b>  | <b>+6.4</b>                         | <b>+5.2</b>  | <b>43.2</b>  | <b>-3.6</b>                         | <b>-0.9</b>  | <b>+5,096</b>     | <b>+6,036</b> |

(a) Calculated on 2019 total foreign trade.

(b) The United Kingdom data are estimated. Detected data will be available in the next Press Release Foreign Trade and Import Price.

## Data Sources and legal framework

The survey on international trade of goods with non-EU countries is carried out according to the following EU legislation, Regulation (EU) n.1724/2016 and Regulation n. 2119/2016, amending Regulation (EC) of the European Parliament and of the Council n. 471/2009; Regulation (EU) n. 1253/2016, amending Commission Regulation (EU) n. 92/2010; Regulation (EU) n. 2119/2016 amending Regulation no. 113/2010.

The extrastat monthly survey is carried out processing fiscal-administrative data (Single Administrative Document - SAD) according to statistical definitions and classifications.

Since 2000, in accordance with the EU legislation, exports and imports below the exclusion thresholds (commercial transactions values less than 1.000 Euros, starting since 2010) are monthly included as aggregate data.

Since September 2011, a new approach for the compilation of external trade statistics on natural gas in gaseous state and electricity has been implemented, Data on physical quantities are monthly collected from reliable sources, while for the other variables required by EU regulations (total trade in values and breakdown of volumes and values by partner countries) new estimation procedures have been developed.

Starting from data of February 2020, with the exit of the United Kingdom from the European Union on 1 February 2020, Istat begin to publish foreign trade data for the new non-EU27 area, in line with Eurostat's dissemination policy.

Since, according to the withdrawal agreement ratified by the European Parliament on 29 January 2020, the United Kingdom will continue to be part of the customs and tax territory (VAT and excise duties) of the European Union until 31 December 2020 and since, therefore, only after this date - unless otherwise agreed - the movement of goods between the United Kingdom and the EU will be considered trade with a third country, trade flows to and from the United Kingdom are recorded, until 31 December 2020, by Intrastat declarations.

Given the different timing of receipt of Intrastat and Extrastat sources, which does not make available Intrastat declarations at the time of the first publication of foreign trade data for non-EU countries, the processing and the first dissemination of these data - for the reference months from February to December 2020 - makes it necessary to estimate trade flows with the United Kingdom by means of forecasting statistical models.

Therefore, at the time of the first publication on this press release, preliminary data for the non-EU27 area include estimated values for the United Kingdom. With their first revision in the following month and dissemination on the Press Release Foreign Trade and Import Prices, foreign trade data for the new area include actual trade data with the United Kingdom, collected from Intrastat declarations.

## Data population and classifications system

In compliance with the EU Regulations, the main classifications used in foreign trade statistics are based on the elementary information concerning the type of goods, the statistical partner country and the province of origin or destination of the goods.

Trade of goods with non-EU countries is classified by country of origin for imports and country of destination for exports.

Geographical and the geo-economic areas are defined according to the Nomenclature of countries and territories for the external trade statistics of the Community and statistics of trade between Member States, known as Geonomenclature.

The Combined Nomenclature (CN) is the primary nomenclature for traded goods used by the EU Member States, defined by the European Union and annually updated.

Since January 2009, products aggregations are defined according to the classification of the economic activities Ateco 2007, adapted to foreign trade (CPA), Ateco 2007 is the national version of the European nomenclature NACE rev,2 published in the Official Journal on 2 December 2006 (Regulation (EC) No, 1893/2006 of the European Parliament and of the Council of 20/12/2006), Ateco 2007 corresponds to Nace rev,2 up to the fourth digit, Data are released according to a timely intermediate breakdown of the sections.

In 2003, Istat adopted the classification for economic destination "Main Industrial Groupings (MIGS)", defined by Commission Regulation n. 586/2001 (Official Journal of the European Communities of 27/03/2001), amended by Regulation (EC) no. 656/2007 of 14/06/2007 following the entry into force of Nace Rev. 2.

The Main Industrial Groupings (MIGS) are:

1. Consumer durables;
2. Consumer non-durables;
3. Capital goods;
4. Intermediate goods;
5. Energy.

As for Ateco 2007, the MIGS classification has been adapted to the statistics on foreign trade.

## Data processing

With the first release, starting from the data of February 2020 until to December 2020, the raw data published for the non-EU27 area include estimated data for the United Kingdom. For the reference month, the estimates of trade flows with the United Kingdom by main industrial groupings are obtained by applying ARIMA-type one-month forecasting models with the introduction of potentially related explanatory variables (such as the number of working days in the reference month and the average monthly exchange rate GBP/EURO). Estimates of total flows with the United Kingdom are obtained by aggregating estimated flow data by main industrial groupings.

Both raw and seasonally adjusted trade values are published, TRAMO-SEATS procedure for Linux (February 2010 version) provides seasonally adjusted data.

Since 2012, some substantial process and product innovations have been introduced in the seasonal adjustment procedures, aimed to improving the accuracy of the estimates and providing users with a wider detail of the statistical indicators at main industrial groupings level for the short-term analysis of foreign trade.

Seasonally adjusted data are monthly revised, The models are annually reviewed in November, with the final revision of raw data, The TRAMO-SEATS procedure's specifications used by Istat are available to users under request.

With the press release for February 2020, on the occasion of the entry of the United Kingdom into the non-EU area and the consequent revision of the entire aggregated series, the annual review of the seasonal adjustment models was carried out.

## Output

Data monthly released include monetary values, year-on-year and month-on-month variations of international trade in goods, Collected or estimated monetary statistical values (Cif, Fob) in current prices are reported.

Provisional data are released at approximately 25 days after the end of the reference month.

## Confidentiality

Since 2000, Istat has defined new procedures for processing and dissemination of confidential data related to foreign trade in goods statistics, according to the current national regulatory framework (Law No. 675/96, Legislative Decrees N. 322/89, 281/99 and 196/03).

In particular, the new procedures bring to a significant reduction of the risk of identification, indirect and accidental, of confidential data and, at the same time, limiting the loss of information available for external users.

In addition to the protection of confidential information according to the principle of passive confidentiality, Istat provides a specific dissemination plan for international trade of goods at national and territorial level, designed in such a way to reduce the risk of indirect identification of confidential trade, Further information on the protection of privacy is available at the following link <https://www.coeweb.istat.it>

## For technical and methodological information

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