

Methodological principles for estimation of exports/imports volumes unrecorded by the FCS of Russia

Considering the fact that legal entities engaged in foreign economic activities tend to understate the level of prices on imported production, and also taking into account that the information on the volume of goods imported by individuals for commercial purposes is incomplete, there is a need to estimate the scope of unrecorded imports into the country during the reporting period. The Bank of Russia produces such estimates.

The starting point is to compare the absolute value of retail turnover in the domestic market with the volume of goods supply declared through official channels and found in the corresponding data of Rosstat and the FCS of Russia. The difference between these indicators deducted by the volume of the domestic non-observed production represents unrecorded imports of manufactured consumer goods sold both by retailers and in marketplaces.

Based on the price structure of final consumption of imported goods (using data from the Table *Resources of Goods and Services*), price and tariff changes within the reporting period, the adjustment factors are determined for conversion from retail prices to f.o.b. imports valuation. These factors are used to adjust the data for merchandise volume of unrecorded imports of manufactured consumer goods sold on the domestic consumer market to the format of indicators used in the balance of payments.

Besides consumer goods, intermediate consumption and investment goods are also imported into the country unrecorded. Their value is estimated on the basis of comparing detailed cross-country merchandise trade data of major trading partners on their supplies of goods to Russia with the FCS of Russia customs statistics data.

In addition, the volume of unrecorded imports indicator includes the value of cars imported by individuals for resale.

The total value of cars imported by individuals is determined by the FCS of Russia. The value of cars intended for importers' personal use is included by the Bank of Russia in the *Travel* item.

The value of unrecorded merchandise exports is estimated on the basis of the data for the previous period adjusted for the changes in real purchasing power of national currencies of the CIS countries. The values of basic parameters have been determined on the basis of indicators agreed upon with Rosstat, and partner country data.