STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 Désirée Number: 2002/000-282.04.08
1.2 Title: Action Plan for the Implementation of INTRASTAT Statistics
1.3 Sector: Internal Market and Economic Criteria
1.4 Location: Czech Republic

2. Objectives

2.1 Overall objective
Contribute to the development and improvement of administrative capacity to adopt and implement the Acquis communautaire

2.2 Project purpose
Development of an action plan for INTRASTAT implementation and Improvement of the strategic planning and management of the CZSO to support acquis implementation

2.3 Accession Partnership and NPAA priority
AP: Strengthening of the administrative capacity is the priority of the AP for the CZSO. Further improve the quality and coverage of statistics, ensure adequate resources which are available for further strengthening of statistical capacities, including regional level (statistics chapter in the AP)
NPAA: Creation and implementation of the INTRASTAT-CZ system is a medium term priority of the NPAA.

2.4 Contribution to National Development Plan
n.a.

2.5 Cross Border Impact
n.a.

3. Description

3.1 Background and justification
Strengthening of the administrative capacity of the CZSO is necessary in terms of improved strategic planning and management. This is an essential element of defining key priorities in further harmonising Czech statistics and applying the statistical acquis in all statistical areas until accession. Progress of the CZSO in the harmonisation process has been huge but not in all areas the acquis is yet applied. Moreover, administrative capacities also have to cover the maintenance of acquis application and strategies to take on board the new coming acquis. It is therefore, necessary to also develop the administrative capacities of the CZSO in terms of strategic planning and management of the office. This will help to build up a sustainable statistical system capable to face the tasks of harmonisation in statistics before accession and beyond.

Linked to the development of administrative capacities it is also necessary to develop some specific areas of statistics. Trade with other countries is an important activity for the economy of the Czech Republic and the EU. It is, therefore, essential to record all trade activities with full coverage using the methodology developed by the EU. Until the day of accession of the Czech Republic to the EU this is done by the usual customs based statistics on external trade. This kind of statistics is already fully harmonised with the methodology used in the EU and comparable data-sets from the Czech republic are available in Eurostat’s databases.

Starting from the day of accession there will be two different systems: EXTRA-trade for recording external trade data based on customs declarations and covering all the trade with non-EU members and INTRA-trade that has to cover all the trade within the EU where no customs will exist anymore. The latter system is based on completely different procedures that need to be developed in advance in order to be operational at the day of accession. If the development of such a system was started too late, statistics on trade with
3.2 Linked activities

- The pilot project on external trade statistics in the framework of the 1999 Multi-Beneficiary Phare programme covering the transfer of know-how in the field
- Meetings regarding the PHARE „Enlargement project on external trade statistics“
- Bridging project November 2001 - July 2002
- Legislative seminar during the period 1998-2000
- Training on strategic programming in the framework of the Multi-Beneficiary Phare Programme in 2002

3.3 Results

a) Strategy for acquis implementation is in place
b) Knowledge on how to implement the strategy is acquired
c) Improved management skills for top and middle management in the CZSO
d) Methodology on introduction and establishment of INTRASTAT prepared including a time schedule for its implementation. The system should start by the accession of the Czech Republic to the EU.
e) Creation of a necessary processing chain including verification by a pilot survey on a sufficiently large set of respondents.
f) Register of firms created
g) A prepared and verified system of data collection and data processing for the Intra-Community trade statistics (INTRASTAT)
h) CZSO staff trained in INTRASTAT data processing and publishing of the data (see Preconditions)
i) Reporting units staff trained in filling in the questionnaire and providing data for processing
j) Action plan for its implementation is developed and agreed with other administrations

3.4 Activities

Twining (0.4 M€)

- Supervise the improvement of the strategic planning (twinner)
- Develop an action plan to implement the improved strategy (CZSO + twinner)
- Train the management on certain management tools (twinner)
- Train the top management on staff management and staff involvement (twinner)
- Implement some elements of a staff satisfaction survey (CZSO + twinner)
- Ensure application and tuning of the methodology on INTRASTAT adapted to Czech conditions (twinner). - Comparability and quality of the data - Check links and data corrections - Preparedness for the changes in the INTRASTAT methodology
- Prepare the questionnaire (CZSO + twinner)
- Supervise the creation of a database on enterprises involved in trade with the use of the tax register including its updating (twinner)
- Consult the data collection and methodology of the processing procedures (twinner)
- Supervise the starting of the whole INTRASTAT system, its verification with focus on the quality of data (twinner). This system should be implementable by the date of the accession to the EU
- Review the booklet with the methodology for companies (twinner).
- Ensure the training in the INTRASTAT methodology of the CZSO staff (twinner):

  Content of the training as part of twinning:

  1. Statistical data (Extratrade, Intratrade, Commodities, Country codes, Transport, Nature of transaction, Net mass, Supplementary units, Value)
  2. Aspects linked to publication (Confidentiality, Adjustments, Indices, Transmission to Eurostat, Other users, Discrepancies)
  3. Commodity codes (Nomenclatures, general, Different types of Nomenclatures, Harmonised System, Combined Nomenclature, Comitology)
  4. Correction of the Intrastat declaration (Corrections to the transaction itself, Returning of goods)
  5. Differences between Intrastat and VAT (General, Processing and repairs, Financial leasing, Credit notes (supplies), Credit notes (acquisitions), Triangular trade, Installation or assembly, Indirect exports)
  6. Triangular trade in Intrastat (General, Normal triangular trade, With a partner in a third country, Between 2 member states instead of 3)
7. Single Flow (General, Disadvantages, Preconditions)

Requirements:
PAA from a MS Statistical office (12 Months); one short term expert from EUROSTAT (3MM).

**Investment**

**Supply of Equipment part 1-(Phare budget: 0,9 M)**

It is necessary to cover the whole processing chain by the special software developed just for the CZSO in order to ensure the compatibility, plausibility and reliability of the data.

SW for the whole processing chain (the given costs division is only indicative):

- SW for the reading of questionnaire (apx 0,10 mill. €)
- SW for the data checking from the questionnaire (apx 0,05)
- SW for the register of enterprises and its updating 0,20
- SW for the data checking from the register of enterprises apx (0,05)
- SW for the data processing 0,30
- SW for the data publishing 0,20
- Total 0,90

**Supply of Equipment part 2-(State budget: 0,42 M€- CSO)**

a) Review the strategy and priority setting of the CZSO (CZSO)

b) Investment into hardware 15 mill. CZK from the costs of the CZSO budget (approx. 0,42 mill. €)

- 12 PC (3 mill. CZK = 0,09 mill €)

- Server, Connection means, Authentication, Processors, Disk fields, Communication (12 mill. CZK = 0,33 mill €)

3.5 Lessons learned

The need of INTRASTAT implementation results from the Statistical Requirements Compendium (Eurostat, September 2001). The INTRASTAT is the unique way how to provide the trade statistics between the Member States.

4. Institutional Framework

The beneficiary is the Czech Statistical Office being the co-ordinator of the statistical system in the Czech Republic. It will be supported in the area of strategic planning and management and associate other institutions as appropriate.

In the area of INTRASTAT other institutions will have to be involved like the Ministry of Finance being the institution keeping the tax register and possibly the General Directorate of Customs.

The Czech Statistical Office will ensure the methodology inclusive the questionnaire and its actualization, further legislative provision of the data collection. The CZSO will be the guarantee of the outputs for different users. It will be necessary to follow the Eurostat methodology in order to ensure its projection into INTRASTAT-CZ a EXTRASTAT-CZ especially in consideration of the problems with merging of the INTRASTAT and EXTRASTAT data in the statistics of external trade.

The Czech Statistical Office will regularly provide the data for the international organizations and Civil Service Authorities and update the outputs in cooperation with them. The CZSO will regularly consult the main users and respondents of the INTRASTAT-CZ and build the publication system of the external trade statistics.

Workplace of Finance authority and customs administration in charge

(Workplace of direction and coordination of the Czech Statistical Office)

It is necessary to create and equip a new workplace with some 100 workers with an appropriate qualification and an appropriate technique.

After having introduced the INTRASTAT-CZ system it will be necessary to create and maintain a special register and its link to the VAT register including a regularly updating.

The task of this workplace will be the data collection, its processing using the new created processing chain (using the sources of the National PHARE Programme).

It is necessary to ensure the check of the nomenclatures and classifications and its updating.

The aim is to create a “pure database” about trade statistics with the EU-countries (INTRASTAT-CZ) each month.

The “pure database” about external trade statistics with the countries extra European union (EXTRASTAT-CZ) will continue to be processed by the workplace of Finance authority and customs Administration in charge.
There will be processed the outputs about external trade statistics of the Czech Republic from these databases each month.

5. Detailed Budget (mil.€)

<table>
<thead>
<tr>
<th>Phare Support</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (=I+IB)</th>
<th>National Cofinancing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Twinning and training of the CZSO staff</td>
<td></td>
<td>0.40</td>
<td>0.40</td>
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<td>0.40</td>
</tr>
<tr>
<td>(2) Investment into data processing and register software</td>
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<td>0.90</td>
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<td></td>
<td>0.90</td>
</tr>
<tr>
<td>Investment into hardware</td>
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<td>0.42</td>
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<td></td>
<td>0.42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>0.90</td>
<td>0.42</td>
<td>1.30</td>
<td>0.42</td>
<td></td>
<td>1.72</td>
</tr>
</tbody>
</table>

6. Implementation Arrangements

6.1 Implementing Agency

CFCU will be the Implementation Agency. Contact person: Mr. Jan Slaviček
Contact person of the CZSO: Mr. Jan Bily Phone: +420 2 74052249 /E-mail: bily@gw.czso.cz

6.2 Twinning

Twinning: 1 PAA from a member state statistical office (12 MM) 0.22 M€ for INTRASTAT.
One short term expert from EUROSTAT (3MM) for strategic planning and management (0.1 M €)
Training of the relevant CSU staff (0.1 M €)
Investment: special software (SW) on the Data processing (will be specified with assistance of the twinning expert) 0.90 M €

CZSO will coordinate the twinning project and ensure adequate office facilities for the PAA and the short term expert.

6.3 Non-standard aspects

The "Practical Guide to Phare, Ispa and Sapard contract procedures" shall be followed.

6.4 Contracts

(1) Twinning Covenant - 0.40 M €
(2) Supply of software 0.90 M €
(3) Czech co-financing of investment 0.42 M€

7. Implementation Schedule

7.1 Start of tendering/call for proposals 3Q/.2002
7.2 Start of project activity 2Q/2003
7.3 Project Completion 3Q/2004

8. Equal Opportunity

Equal opportunity, principles and practices in ensuring the most benefiting participation in the project will be guaranteed.

9. Environment
n.a.

10. Rates of Return
n.a.

11. Investment Criteria
All investment is to be tendered immediately. Specifications within the framework of twinning were possible and appropriate

12. Conditionality and Sequencing
The assistance is proposed in a form of a twinning for the sub-programme with adequate institutes responsible for the state administration sector in EU countries. Availability of experts and the cooperation with General Customs Directory and Ministry of Finance represent a necessary precondition.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. CZSO arrangements Draft for the implementation of the intrastat-CZ system
4. Contracting and disbursement schedule by quarter for full duration of programme
5. Meetings regarding the PHARE „Enlargement project on external trade statistics“
## LOGFRAME PLANNING MATRIX

<table>
<thead>
<tr>
<th>Project title: Action Plan for the Implementation of INTRASTAT Statistics</th>
<th>Programme number: CZ02-</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beneficiary institution:</strong> Czech Statistical Office</td>
<td>Contracting period expires:</td>
</tr>
<tr>
<td></td>
<td>Disbursement period expires:</td>
</tr>
<tr>
<td>Overall objective</td>
<td>Objectively verifiable indicators</td>
</tr>
<tr>
<td>Contribute to the development and improvement of administrative capacity to adopt and implement the Acquis communautaire</td>
<td>Sufficient Administrative capacity of the CZSO to implement the Acquis</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Project purpose</td>
<td>Objectively verifiable indicators</td>
</tr>
<tr>
<td>Development of an action plan for INTRASTAT implementation and Improvement of the strategic planning and management of the CZSO to support acquis implementation (see Preconditions)</td>
<td>- Revised Strategy to implement the Acquis 1. 1. 2004</td>
</tr>
<tr>
<td></td>
<td>- Improvement of management by 1.1. 2004</td>
</tr>
<tr>
<td></td>
<td>- Methodology for INTRASTAT and time schedule for its implementation 1. 1. 2004</td>
</tr>
<tr>
<td>Results</td>
<td>Objectively verifiable indicators</td>
</tr>
<tr>
<td>a) Strategy for acquis implementation is in place</td>
<td>Implementation of the plan is ongoing according to the time schedule 1. 1. 2003</td>
</tr>
<tr>
<td>b) Knowledge on how to implement the strategy is acquired</td>
<td>- Acceptance of the methodology by an expert of Eurostat (winner) by the end of February 2003</td>
</tr>
<tr>
<td>c) Improved management skills for top and middle management in the CZSO</td>
<td>Comparison of the INTRASTAT-CZ methodology with the current foreign trade statistics using the data for the chosen sample of respondents by November 2003</td>
</tr>
<tr>
<td>d) Methodology on introduction and establishment of INTRASTAT prepared including a time schedule for its implementation. The system should start by the accession of the Czech Republic to the EU.</td>
<td>Register approved by the CZSO by June 2003</td>
</tr>
<tr>
<td>e) Creation of a necessary processing chain including verification by a pilot survey on a sufficiently large set of respondents.</td>
<td>Check quality of outputs from the INTRASTAT system by the CZSO by 1 January 2004</td>
</tr>
<tr>
<td>f) Register of firms created</td>
<td>Trained staff</td>
</tr>
<tr>
<td>g) A prepared and verified system of data</td>
<td></td>
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<tr>
<td>Activities</td>
<td>Means</td>
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<tr>
<td>----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>a) Collection and data processing for the introduction of the INTRASTAT by 30 June 2003</td>
<td></td>
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<tr>
<td>b) CZSO staff trained in INTRASTAT data processing and publishing of the data (see Procurement)</td>
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<tr>
<td>i) Reporting units staff trained in filling in the questionnaire and providing data for Processing plan for its implementation is developed and agreed with other administrations</td>
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<tr>
<td>- Acceptance of the action plan (Twinmer + CZSO) by the end of January 2003</td>
<td></td>
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<tr>
<td>- Strategic plan approved by the CZSO by 1 January 2004</td>
<td></td>
</tr>
</tbody>
</table>
| a) Review the strategy and priority setting of the CZSO (CZSO)  
b) Supervise the improvement of the strategic planning (twinner)  
c) Develop an action plan to implement the improved strategy (CZSO + twinner)  
d) Train the management on certain management tools (twinner)  
e) Train the top management on staff management and staff involvement (twinner)  
f) Implement some elements of a staff satisfaction survey (CZSO + twinner)  
g) Ensure the training in the INTRASTAT methodology of the CZSO staff (twinner - see Preconditions)  
h) Ensure application and tuning of the methodology on INTRASTAT adapted to Czech conditions (twinner).  
  - Comparability and quality of the data  
  - Check links and data corrections  
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j) Supervise the creation of a database on enterprises involved in trade with the use of the tax register including its updating (twinner)  
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l) Supervise the starting of the whole INTRASTAT system, its verification with focus on the quality of data (twinner). This system should be implementable by the date of the accession to the EU  
m) Review the booklet with the methodology for companies (twinner). |
|---|---|---|
| 1. Twinning PAA in trade statistics and strategic planning, statistical assistance for methodology development, training of staff (0.40 Mill. €)  
  Twinning period:  
  January – December 2003  
  Number of short-term experts:  
  1  
  2. Investment into data processing and register software (0.90 Mill. €).  
  It is needed to create a specific software only for the use of CZSO. |
| Creating of an INTRASTAT – team and its personal equipment |
| Investment into hardware 15 mill. CZK from the costs of the CZSO budget (approx. 0.42 mill. €)  
  - 12 PC (3 mill. CZK = 0.09 mill €)  
  - Server, Connection means, Autentification, Processors, Disk fields, Communication  
  (12 mill. CZK = 0.33 mill €) |
**Preconditions**

Strategic management is necessary for the implementation of the whole Acquis including INTRASTAT. Strategic planning is an important precondition for statistical capacity building.


INTRASTAT is the unique system for the monitoring of flows of goods among the Member states. It is a prerequisite for the compiling of the trade balance and the balance of payment. INTRASTAT is the instrument of primary importance for numerous public and private sector decision-makers. INTRASTAT enables Community authorities to prepare multilateral and bilateral negotiations within the framework of common commercial policy and to evaluate the progress of the Single Market and the integration of European economies; it helps European companies to do market research and define their commercial strategy; it constitutes an essential source of information for balance of payments statistics, national accounts and studies of economic cycles.

EXTRASTAT is the a system for the monitoring of flows of goods between the Member states and the Third countries.

An essential part of the whole INTRASTAT system is the creation and updating of the register of enterprises.

INTRASTAT system should reflect all changes and developments of the whole statistical system.

Co-operation with the Customs service and Ministry of Finance in the process of preparation and the following realisation of INTRASTAT.
<table>
<thead>
<tr>
<th>Action</th>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning improvement and priority setting (CZSO + twinner)</td>
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<tr>
<td>Creating of the processing chain in the INTRASTAT-CZ system</td>
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<tr>
<td>Information campaign in the connection with the introduction of the INTRASTAT-CZ system</td>
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<tr>
<td>Preparation of the respondents for the INTRASTAT-CZ system</td>
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<tr>
<td>Preparation of the publication system of the INTRASTATU-CZ data</td>
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</tbody>
</table>
### CZSO arrangements Draft for the implementation of the intrastat-CZ system

#### Annex 3

<table>
<thead>
<tr>
<th>Action</th>
<th>Year 2002</th>
<th>Year 2003</th>
<th>Year 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Draft of the INTRASTAT-CZ methodology including the questionnaire</td>
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<tr>
<td>2. Recognition of the future user needs satisfiable by the system INTRASTAT</td>
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</tr>
<tr>
<td>3. The methodology concerning the creating of the respondents register in the INTRASTAT system</td>
<td>x x x x x</td>
<td>x x x x x</td>
<td>x x x x x</td>
</tr>
<tr>
<td>4. Methodology of the data collection in the INTRASTAT</td>
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<td>x x x</td>
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<tr>
<td>5. Pilot survey of the INTRASTAT-CZ in order to verify the methodology and the questionnaire including the data collection</td>
<td></td>
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<td>x x x x x</td>
</tr>
<tr>
<td>6. Training of the CZSO staff</td>
<td></td>
<td>x x x</td>
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</tr>
<tr>
<td>7. Creating of the processing chain in the INTRASTAT-CZ system</td>
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<td>x x x x x x x x x</td>
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<tr>
<td>8. Transmission of the preliminary data from the INTRASTAT-CZ system to Eurostat</td>
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<td>x x x x x x</td>
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<tr>
<td>9. Information campaign in the connection with the introduction of the INTRASTAT-CZ system</td>
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<td>x x x x x x x x x x x x</td>
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<tr>
<td>10. Preparation of the respondents for the INTRASTAT-CZ system</td>
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<td>x x x x x x x x x x x x</td>
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<tr>
<td>11. Preparation of the publication system of the INTRASTAT-CZ data</td>
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<td>x x x x x x x x x x x x</td>
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**Explanatory notes:**
**ANNEX 4**

**CONTRACTING AND DISBURSEMENT SCHEDULE BY QUARTER FOR FULL DURATION OF PROGRAMME**

<table>
<thead>
<tr>
<th>Project</th>
<th>1Q/02</th>
<th>1Q/02</th>
<th>3Q/02</th>
<th>4Q/02</th>
<th>1Q/03</th>
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<th>3Q/05</th>
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</table>

**Cumulative Quarterly Disbursement Schedule (mil. €)**

<table>
<thead>
<tr>
<th>Project</th>
<th>1Q/02</th>
<th>1Q/02</th>
<th>3Q/02</th>
<th>4Q/02</th>
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<th>3Q/05</th>
<th>4Q/05</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
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<td>0.2</td>
<td>0.3</td>
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<td></td>
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<td></td>
<td></td>
<td>1.3</td>
</tr>
</tbody>
</table>
Meetings regarding the PHARE „Enlargement project on external trade statistics“

Bridging project November 2001 - July 2002

Czech Republic has already started its considerations and first planning of the Intrastat system. Key manuals and documents indispensable for the implementation of Intrastat, e.g. detailed timetables; description of the declarants register; job descriptions; threshold studies will be worked up in cooperation with the EU expert. In this context the assistance of some EU experts could be fundamental and help to compensate temporarily for the predominant lack of staff that candidate countries face.

Legislative seminar during the period 1998-2000