

**UNSD-SACU workshop
on the implementation of the new recommendations
for International Merchandise Trade Statistics (IMTS 2010)
in SACU Member States**

12 – 15 June 2012, Johannesburg, South Africa

12 June - item 6:
**Overview of IMTS 2010 recommendations
and encouragements**



Presentation by Matthias Reister
Chief, International Merchandise Trade Statistics Section
Trade Statistics Branch, United Nations Statistics Division
E-mail: reister@un.org



IMTS 2010: Decision of the Statistical Commission at its 41 session (23-26 February 2010)



The Statistical Commission: *[excerpts]*

- (b) Adopted International Merchandise Trade Statistics: Concepts and Definitions 2010 (IMTS 2010) and endorsed the implementation programme [...], including the preparation of the revised IMTS Compilers Manual and continued technical assistance activities;
- (d) Requested that more attention is given to strengthening institutional arrangements in countries to ensure that proper national coordination mechanisms exist for the compilation of high quality international merchandise trade statistics; **also, cooperation with compilers of statistics on international trade in services, balance of payments and national accounts should be ensured;**
- (f) Advised that in the future research agenda a due consideration is given to the emerging trade policy needs and the globalization issues; **in this context, linkage with business statistics and measuring merchandise trade in terms of value added should be further explored.**



IMTS 2010: a two year long journey with broad support from countries

- Two rounds of worldwide consultation
 - In 2008 on 17 critical issues
 - In 2009 on the full draft of the revised recommendations
- 3 Virtual meetings of the EG-IMTS
- 2nd meeting of EG-IMTS in November 2009
 - endorsed the draft text of IMTS 2010 subject to several amendments and clarifications



IMTS 2010: Continuity of the Conceptual Framework

The 6 core elements are retained:

- 1) **Scope**: definition of the scope of international merchandise trade statistics as recording of goods which add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory;
- 2) **Trade system**: preference for the application of general system;
- 3) **Harmonized System (HS)**: use for basic data collection;
- 4) **Statistical value**: use the FOB-type statistical value for exports and CIF-type statistical value for imports;
- 5) **Quantity**: use of net weight and the WCO quantity units;
- 6) **Partner country**: country of goods origin (imports) and the last known destination (exports).



IMTS 2010:

Update of 4 core elements, plus 4 new data fields

- 1) Scope (Update): Clarifications, separate identification of certain transactions;
- 2) Valuation (Update and **New data field**): Imports on the FOB basis in addition to the standard CIF valuation; valuation of specific categories of goods;
- 3) Quantity (Update): Recommendation further clarified;
- 4) Partner country (Update and **New data field**) Recommendation for the recording of a second partner country (country of consignment);
- ❖ Mode of transport (**New data field**): Add as additional data dimension;
- ❖ Customs procedure codes (**New data field**): Customs procedures applied to individual transactions to be made part of the data set provided by customs.



IMTS 2010: Recommendations in 6 new areas

- ❖ **Use of different data sources;**
- ❖ **Establishment of necessary institutional arrangements;**
- ❖ **Data quality;**
- ❖ **Metadata compilation and dissemination;**
- ❖ **Dissemination issues: confidentiality for merchandise trade statistics, time table for data release, revision policy;**
- ❖ **Linking trade and business statistics.**



IMTS 2010: Responding to the needs of balance of payments and national accounts

- ❖ **Separate recording of goods for processing without change of ownership and trade with related parties is encouraged in IMTS 2010;**
- ❖ **IMTS 2010 recommends symmetrical recording of a number of transactions previously treated differently in export and import statistics (i.e. bunkers and stores);**
- ❖ **Encouragement to cooperate with BOP/NA compilers with respect to the recording of goods of special interest (i.e. media);**
- ❖ **IMTS2010, Annex F provides detailed description of conceptual differences between IMTS 2010 and BPM6/2008SNA.**



Summary of key IMTS 2010 recommendations and encouragements:

Table 0.1

Summary of key IMTS 2010 recommendations and encouragements and their relationship with IMTS, Rev.2

IMTS 2010 recommendations and encouragements	Relationship with IMTS, Rev.2
Scope and time of recording (chap. I)	
A. General guidelines	
1. As a general guideline, record all goods which add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory (para. 1.2)	Unchanged
2. Trade below customs and statistical thresholds: Estimate and include if economically significant (para. 1.3)	New encouragement
3. Change of ownership: Use as criteria for recording of certain goods only in exceptional cases when the general guideline is not applicable or not sufficient (para. 1.4)	New recommendation
4. Time of recording: As a general guideline, record goods at the time when they enter or leave the economic territory of a country (para. 1.8). In the case of customs-based data-collection systems, this time can be frequently approximated by the date of lodgement of the customs declaration (para. 2.22)	Unchanged
B. Specific guidelines	
5. Specific guidelines: Include certain categories of goods, include and separately identify (code) some which are of special interest for users, and exclude others (paras.1.9-1.55)	Updated recommendation
6. Exclude but record separately: Exclude certain categories of goods but record them separately for use in balance of payments and national accounts and other purposes (paras. 1.9 and 1.56-1.60)	Updated recommendation



Summary of key IMTS 2010 recommendations and encouragements:

7. Media, whether or not recorded: Include at its full transaction value, except for media used for carrying customized software or software written for a specific client or originals of any nature, which should be excluded (para. 1.18)	Updated recommendation
8. Goods for processing with or without change of ownership: Include at their full (gross) value (paras. 1.19-1.20)	Updated recommendation
9. Goods for processing as well as goods resulting from such processing where no change of ownership takes place: Include and explicitly identify (preferably by special coding) in your trade statistics (para. 1.21)	New encouragement
10. Goods which cross borders as a result of transactions between related parties: Include and separately identify (code) (para. 1.22)	New encouragement
11. Fish catch, minerals from the seabed and salvage; Bunkers, stores, ballast and dunnage: Include all transactions, not only those taking place inside and but also those taking place outside the economic territory where economically or environmentally significant (paras. 1.31-1.32)	Updated recommendation
12. Goods simply being transported through a country and Goods temporarily admitted or dispatched: Exclude (paras. 1.41-1.44)	Updated recommendation
5. Specific guidelines: Include certain categories of goods, include and separately identify (code) some which are of special interest for users, and exclude others (paras.1.9-1.55)	Updated recommendation
6. Exclude but record separately: Exclude certain categories of goods but record them separately for use in balance of payments and national accounts and other purposes (paras. 1.9 and 1.56-1.60)	Updated recommendation



Summary of key IMTS 2010 recommendations and encouragements:

7.	Media, whether or not recorded: Include at its full transaction value, except for media used for carrying customized software or software written for a specific client or originals of any	Updated recommendation
Trade system (chap. II)		
8.	13. Use of the Revised Kyoto Convention: ^a Use, as far as possible, the definitions of the customs terms contained in the annexes to the Revised Kyoto Convention (para. 2.3)	Unchanged
9.	14. Elements of the statistical territory: Make clear which elements exist and are included in the statistical territory (para. 2.3)	New recommendation
10.	15. Reimports and re-exports: Include and identify (code) separately for analytical purposes (paras. 2.16 and 2.18)	New recommendation
11.	16. Customs procedure codes: Make information about the customs procedure applied to individual transactions part of the data set for trade statistics (paras. 2.19 and 8.6)	New recommendation
12.	17. Trade system: Use the general trade system for compilation of both import and export statistics (para. 2.20); if the special trade system is used, compile or estimate, as applicable, goods imported into and exported from premises for customs warehousing, premises for inward processing, industrial free zones or commercial free zones to allow estimation of data on a general trade system basis (para. 2.28)	Unchanged
5.	Specific guidelines: Include certain categories of goods, include and separately identify (code) some which are of special interest for users, and exclude others (paras.1.9-1.55)	Updated recommendation
6.	Exclude but record separately: Exclude certain categories of goods but record them separately for use in balance of payments and national accounts and other purposes (paras. 1.9 and 1.56-1.60)	Updated recommendation



Summary of key IMTS 2010 recommendations and encouragements:

Commodity classifications (chap. III)

18. Harmonized System (HS): Use HS for the collection, compilation and dissemination of international merchandise trade statistics (para. 3.11)	Unchanged
19. Standard International Trade Classification (SITC): Use SITC for the dissemination and the analysis of trade statistics according to user requirements (para. 3.19)	New recommendation



Summary of key IMTS 2010 recommendations and encouragements:

Commodity classifications (chap. III)

¹⁸ Valuation (chap. IV)

19	20. Statistical value: Record a statistical value for all goods covered in trade statistics, whether sold, exchanged or provided without payment (para. 4.1)	Updated recommendation
21.	WTO Agreement on Valuation: ^b Adopt the WTO Agreement on Customs Valuation as the basis for valuation of international merchandise trade for statistical purposes (para. 4.4).	Unchanged
22.	Statistical value of exported and imported goods: Use free on board (FOB-type) valuation for exports (border of the exporting country) and cost, insurance and freight (CIF-type) valuation for imports (border of the importing country); countries are encouraged to compile FOB-type value of imported goods as supplementary information (para. 4.8).	Updated recommendation
23.	Compilation of data on freight and insurance: Countries which compile only CIF-type values of imports are encouraged to compile separate data for freight and insurance, at the most detailed commodity and partner level possible (para. 4.9)	Updated encouragement
24.	Valuation of special categories of goods: Follow additional recommendations (para. 4.15)	Updated recommendation
25.	Exchange rate for conversion: Where conversion of currency is necessary, use the rate of exchange that is duly published by the competent national authorities of the country, reflecting the current value of such currency in commercial transactions in terms of the currency of the reporting country, and which is in effect at the time of importation or exportation (para. 4.19)	Unchanged
26.	Exchange rate for conversion: If a rate is not available for the time of exportation or importation, use the average rate for the shortest period applicable (para. 4.20)	Unchanged
27.	Multiple official exchange rates: Where multiple official exchange rates are in effect, use the actual rate applicable to specific transactions (para. 4.21)	Unchanged

Summary of key IMTS 2010 recommendations and encouragements:

Commodity classifications (chap. III)

¹⁸ Valuation (chap. IV)

Quantity measurement (chap. V)

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| 28. Compilation and reporting of quantity information: Collect or estimate, validate and report quantity information in WCO standard units of quantity ^c and in net weight on all trade transactions (para. 5.5) | Updated recommen |
| 29. Quantity conversion factors: Provide conversion factors to the recommended standard units in the metadata if units of quantity other than the WCO standard units are used or if units of quantity different from the one recommended for the specific commodity (HS six-digit subheading) are used (para. 5.5 (d)) | Updated recommen |
| or imports are encouraged to compile separate data for freight and insurance, at the most detailed commodity and partner level possible (para. 4.9) | |
| 24. Valuation of special categories of goods: Follow additional recommendations (para. 4.15) | Updated recommendation |
| 25. Exchange rate for conversion: Where conversion of currency is necessary, use the rate of exchange that is duly published by the competent national authorities of the country, reflecting the current value of such currency in commercial transactions in terms of the currency of the reporting country, and which is in effect at the time of importation or exportation (para. 4.19) | Unchanged |
| 26. Exchange rate for conversion: If a rate is not available for the time of exportation or importation, use the average rate for the shortest period applicable (para. 4.20) | Unchanged |
| 27. Multiple official exchange rates: Where multiple official exchange rates are in effect, use the actual rate applicable to specific transactions (para. 4.21) | Unchanged |



Summary of key IMTS 2010 recommendations and encouragements:

Commodity classifications (chap. III)

¹⁸ Valuation (chap. IV)

Quantity measurement (chap. V)

Partner country (chap. VI)

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| 30. Country of origin: Follow the relevant provisions of the Revised Kyoto Convention for determining country of origin (para. 6.7) | Unchanged |
| 31. Attribution of partner country: For imports, record the country of origin; for exports, record the country of last known destination (para. 6.25) | Unchanged |
| 32. Country of consignment: For imports, record the country of consignment as the second partner country attribution alongside country of origin; for exports, the additional compilation of the country of consignment is encouraged (para. 6.26) | Updated reco |
| 33. Calculation of trade balances: Use imports by country of origin and exports by country of last known destination (para. 6.27) | New recomme |
| 34. Economic territory of the trading partners: Use the economic territory of the trading partners as the basis upon which the statistics on trade by partner are compiled (para. 6.28)
exportation (para. 4.19) | Updated reco |
| 26. Exchange rate for conversion: If a rate is not available for the time of exportation or importation, use the average rate for the shortest period applicable (para. 4.20) | Unchanged |
| 27. Multiple official exchange rates: Where multiple official exchange rates are in effect, use the actual rate applicable to specific transactions (para. 4.21) | Unchanged |



Summary of key IMTS 2010 recommendations and encouragements:

Commodity classifications (chap. III)

18 Valuation (chap. IV)

Quantity measurement (chap. V)

Partner country (chap. VI)

Mode of transport (chap. VII)

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| 35. Compilation of mode of transport: Compile and disseminate international merchandise trade statistics by mode of transport at the most detailed commodity level (as a new data dimension) (para. 7.1) | New recommendatio |
| 36. Recording of mode of transport: Record as mode of transport the means of transport used when goods enter or leave the economic territory (para. 7.1) | New recommendatio |
| 37. Classification: Clearly indicate the contents of the categories used; countries are encouraged to follow the suggested classification for the compilation and reporting of trade statistics by mode of transport (paras. 7.2-7.3) | New recommendatio |
| 34. Economic territory of the trading partners: Use the economic territory of the trading partners as the basis upon which the statistics on trade by partner are compiled (para. 6.28) exportation (para. 4.19) | Updated reco |
| 26. Exchange rate for conversion: If a rate is not available for the time of exportation or importation, use the average rate for the shortest period applicable (para. 4.20) | Unchanged |
| 27. Multiple official exchange rates: Where multiple official exchange rates are in effect, use the actual rate applicable to specific transactions (para. 4.21) | Unchanged |



Summary of key IMTS 2010 recommendations and encouragements:

Data compilation strategies (chap. VIII)

38. Use of customs records: Use customs records as the main and normally preferred data source (para. 8.2)	New recommendation
39. Allocation of customs procedures: Closely cooperate with customs experts in order to correctly allocate customs procedure codes and associated trade transactions according to the general or the special trade system (para. 8.4)	New recommendation
40. Use of non customs records: Supplement customs-based data with information obtained from other sources, as necessary, to ensure full coverage of international merchandise trade statistics. Use non-customs sources as substitutes for available customs records only if they provide a cost-effective way to improve the quality of trade statistics (para. 8.9)	Updated recommendation
41. Integrated approach to data collection: In the case of the use of non-customs data sources, such as enterprise surveys, use an integrated approach to data collection and make use of business registers and enterprise identification numbers in order to obtain the required information with minimal costs and burden on enterprises (para. 8.11)	New recommendation
42. Institutional arrangements: Consider as a matter of high priority the establishment of the institutional arrangements necessary to ensure the compilation of high-quality trade statistics and periodically review their effectiveness (para. 8.17)	New recommendation


Data quality and metadata (chap. IX)

43. Systematic approach to data quality: Follow a systematic approach to data quality and develop standards and related good practices covering the institutional arrangements, the statistical processes and outputs (the entire trade statistics programme) (para. 9.4)	New recommendation
44. Standard for quality reports: Develop a standard for regular quality reports that cover the full range of statistical processes and outputs and are based on principles and standards (para. 9.5)	New recommendation
45. Frequency of quality reports: Complete or update quality reports of international merchandise trade statistics at least every five years, or more frequently if significant methodological changes or changes in the data sources occur (para. 9.6)	New recommendation
46. Contents of quality reports: Base quality reports on a set of quantitative and qualitative indicators for international merchandise trade statistics and on a checklist covering data collection, processing and dissemination in order to allow for an assessment of strengths and weaknesses in the statistical process and to identify possible quality improvement actions (para. 9.7)	New recommendation
47. Dimensions of data quality: Take the following dimensions into account when developing a quality assessment framework: prerequisites of quality, relevance, credibility, accuracy, timeliness, methodological soundness, coherence and accessibility (para. 9.10)	New recommendation
48. Quality indicators: Ensure that the defined quality indicators satisfy the following criteria: (a) they cover all dimensions of quality; (b) they are based on the consistent application of a sound methodology; (c) the indicators are easy to interpret by both internal and external users (para. 9.15)	New recommendation

Data quality and metadata (chap. IX)

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| 43. | Systematic approach to data quality: Follow a systematic approach to data quality and develop standards and related good practices covering the institutional arrangements, the statistical processes and outputs (the entire trade statistics programme) (para. 9.4) | New recommendation |
| 44. | 49. Cross-country data comparability: Countries are encouraged to periodically conduct bilateral and multilateral reconciliation studies or implement data exchanges (para. 9.22) | |
| 45. | 50. Metadata categories: Cover at least the categories of metadata provided in para. 9.23) | |
| 46. | 51. Metadata as high priority: View the development of metadata as a high priority and their dissemination an integral part of the dissemination of international merchandise statistics (para. 9.25) | |
| 47. | Dimensions of data quality: Take the following dimensions into account when developing a quality assessment framework: prerequisites of quality, relevance, credibility, accuracy, timeliness, methodological soundness, coherence and accessibility (para. 9.10) | New recommendation |
| 48. | Quality indicators: Ensure that the defined quality indicators satisfy the following criteria: (a) they cover all dimensions of quality; (b) they are based on the consistent application of a sound methodology; (c) the indicators are easy to interpret by both internal and external users (para. 9.15) | New recommendation |



Summary of key IMTS 2010 recommendations and encouragements:

Dissemination (chap. X)

52. Confidentiality rules: Use passive confidentiality as much as possible, unless the use of active confidentiality is already the established, desired and accepted practice (para. 10.3)	New recommendation
53. Reporting of confidential information: Report information deemed confidential in full detail at the next higher level of commodity and/or partner aggregation that adequately protects confidentiality (para. 10.3)	Unchanged
54. Data dissemination timetable: Announce in advance the precise dates at which the statistics will be released and revised (para. 10.5)	Updated recommendation
55. Publication of provisional estimates: Explore the possibility of publishing provisional estimates soon after the end of the reference period (para. 10.8)	New encouragement
56. Revision policy: Develop a revision policy that is synchronized with the release calendar (para. 10.11)	Updated encouragement
57. Data dissemination: Treat all users equally and disseminate data without preference to any national or international user group. Choose the dissemination format that best suits user needs (para. 10.13)	New recommendation



Summary of key IMTS 2010 recommendations and encouragements:

Dissemination (chap. X)

57. Confidentiality rules: Use passive confidentiality as much as possible, unless the use of active confidentiality is necessary. New recommendation

Supplementary topics (chap. XI)

58. External trade indices: Produce and publish volume (quantum) indices and either price or unit value indices for total imports and exports on a monthly, quarterly and annual basis. Calculate and publish such indices for commodity groups of particular importance to countries on at least a quarterly and annual basis (para. 11.1) Unchanged

59. Seasonally adjusted data: Compile and publish, where appropriate, seasonally adjusted monthly and quarterly international merchandise trade data on a regular basis; provide information on the adjustment methods, data quality, etc. in the metadata (paras. 11.3-11.4) Updated encouragement

60. Linking business and trade statistics: Integrate the trade register with the business register and take steps towards an integrated system of economics statistics for data compilation and analysis (para. 11.6) New encouragement

national or international user group. Choose the dissemination format that best suits user needs (para. 10.13)



IMTS 2010 Implementation in countries and at UNSD



IMTS 2010 Implementation in countries: IMTS Implementation questionnaire – May 2010

- In May 2010 the United Nations Statistics Division (UNSD) informed countries about the new recommendations.
- Requested to complete a brief questionnaire on the implementation of the new recommendations.
- By the end of August 2010 a total of 100 countries replied to the questionnaire, 28 developed and 72 developing and transition countries



IMTS 2010 Implementation in countries: IMTS Implementation questionnaire – Results

Awareness

63 % replied that IMTS 2010 implementation has already been discussed in the office	82% of developed countries	56% of developing/transition
33 % indicated that IMTS 2010 implementation was discussed with other agencies	50% of developed countries	26% of developing/transition
...but 47 % wanted to do so in the near future	14% of developed countries	60% of developing/transition

Plans for implementation

32% expect to implement most of the new recommendations for reporting year 2011 !	36% of developed countries	31% of developing/transition
And 34% for the reporting year 2012 !	14% of developed countries	42% of developing/transition

IMTS 2010 Implementation in countries: IMTS Implementation questionnaire – Results

Critical factors for implementation

An overwhelming majority (more than 80%) of developing and transition countries considered each of the four questioned factors as critical for IMTS implementation (rated 5 or 4 out of 5).

- **cooperation with other agencies**
- **guidance on how to implement the recommendations**
- **mobilization of the required resources**
- **raising awareness**

Developed countries rated these factors as less important than developing and transition countries – **EU regulations** and **burden on respondents** were mentioned as important.

Burden on respondents was also cited as critical factor by developing and transition countries. Several developing and transition countries pointed out that **advocacy** (raising awareness) and **interagency cooperation** are critical factors for implementation



IMTS 2010 Implementation in countries: IMTS Implementation questionnaire – Results

Materials and support

83% of countries viewed the availability of the <u>updated IMTS Compilers Manual</u> as being of high importance (rated 5 or 4 out of 5) for their office	71% of developed countries	88% of developing/transition
73% of countries considered the availability of additional information resources such as <u>website, knowledgebase and hotline</u> as being of high importance (rated 4 or 5 out of 5).	64% of developed countries	76% of developing/transition
<p>The overwhelming majority of developing and transition countries considered technical assistance activities such as <u>workshops and study visits</u> of high importance for the implementation of IMTS 2010. For developed countries technical assistance activities are far less important.</p>		



IMTS 2010 Implementation at UNSD:

Upgrade and enhancement of UN Comtrade 2011-2014

(i) Inclusion of new data variables recommended in IMTS 2010

- **Mode of transport**
- **Country of consignment as second partner country**
- **FOB-type value for imports**
- **Customs procedure Codes / Identifier for special transactions (intra-firm trade, goods for processing etc.)**

(ii) Adding monthly and quarterly trade data

→ UN Monthly Comtrade

(iii) Significant enhancement of metadata

- New Trade Statistics Knowledgebase has been established
- Metadata reference pages for 187 countries have been added



IMTS 2010 Implementation at UNSD:

Technical assistance

- Tentatively planned to hold two workshops per year and deliver training to countries which need it most by the end of 2012
- In collaboration with other international organizations
- Possible development of E-Learning, Knowledgebase etc.

Future research agenda

- To address imbalances in partner statistics
- Address the issue of quality of quantity information
- **Finding innovative methods of linking trade and business statistics in the context of an integrated approach to economic statistics,**
- **Trade in terms of value added and to clarify the international production chain,**
- Good practices in the compilation of the trade indices and various analytical indicators and
- Efficient ways of automated data transfer between countries and international organizations.



Thank you for your attention!