

Merchanting

Summary conclusions

Questions

Global manufacturing

- (a) Should transactions in goods resulting from global manufacturing be recorded as trade in goods (under a separate heading) rather than services (as now)?
- (b) In other words, should such transactions be recorded on a gross basis, following the change in ownership principle, as for goods for processing?

Global wholesaling/retailing

- (c) Should global wholesaling/retailing when trading in goods be recorded as trade in goods (under a separate heading) or trade in services (as now)?
- (d) If it is to be recorded as trade in goods, should this be on a gross basis when there is a change in ownership?
- (e) Or should it be recorded on a net basis as services (as now)?

Commodity dealing

- (f) Make clear most commodity dealing transactions are transactions in financial derivatives?
- (g) When accounts are settled in commodities, and there is an actual flow of goods, should these transactions be recorded on a change of ownership basis, gross in goods (under a separate heading), or a net basis as services (as now)?

Outcomes

- (a)-(g) The AEG agreed that all three types of merchanting (global manufacturing, global wholesaling/retailing, and commodity dealing that is settled by trade in commodities) should be recorded as follows:

“The acquisition of goods is recorded as an import (shown as a negative export) by the global manufacturer, global wholesaler/retailer or commodity dealer (merchant). The subsequent resale of the goods is recorded as exports by the merchant. The difference between the two is shown as net exports of goods by the merchant. The merchant's output is recorded as a wholesale/retail service within the national accounts, exclusive of holding gains/losses while the goods are held (in inventory) by the merchant.”

The inclusion of the wholesale/retail margin and the holding gains/losses accruing while in inventory in the gross value of exports by the merchant is consistent with the measurement of supply and use of these margins in the SNA and the BPM.