

TASK FORCE ON INTERNATIONAL TRADE STATISTICS

Vienna, 21-23 March 2000

Minutes

OPENING REMARKS

Mr. Ghislain Robyn, Director of the Statistics and Information Networks Branch of UNIDO welcomed the members of the Task Force and wished them every success in their undertakings.

1. ADOPTION OF THE PROVISIONAL AGENDA

The provisional agenda was adopted after the following amendments:

- inclusion under agenda item 16 "Other business" of:
 - 16 (b) Date of the next OECD meeting on Trade Statistics; and
 - 16 (c) Rationalisation of the agenda;
- combined discussion of agenda items 4(c) and 4(e).

2. MINUTES OF THE MEETING HELD IN WASHINGTON, 8-10 MARCH 1999

The minutes were accepted as circulated. Participants stressed the importance of having the minutes include the conclusions and agenda items for action.

3. FOLLOW UP ON DECISIONS BY THE UN STATISTICAL COMMISSION

Before starting substantive debate, WTO informed participants on what transpired at the March 2000 meeting of the Statistical Commission with respect to merchandise trade statistics.

(a) The Compilers' Manual (CM) for International Merchandise Trade

UNSD presented a progress report on the CM indicating that the first version of the draft Manual would be readied by the end of June 2000 for comments by TF members, Expert Group, and selected countries. An Expert Group meeting to consider the draft Manual is provisionally scheduled for November 2000. TF members were invited to comment on their further cooperation in drafting the Manual, and the possibility of their participation in the Expert Group meeting. UNSD also indicated that electronic commerce will be tackled, and that the UNSD budget would pay for 8 to 10 participants from Developing countries to attend the Expert Group meeting.

Comments:

- The treatment of shuttle trade should be addressed (IMF). UNSD agreed and indicated that shuttle trade was indeed mentioned in various workshops as being an important issue.
- Country practices should be included (FAO). UNSD pointed out that the CM was not appropriate to tackle this matter.
- Is there any dissemination/assistance plan for the Manual (UNCTAD). UNSD response was that the CM will be sent directly to countries. UNSD will seek funding to conduct regional workshops on the CM. UNDP funds could be used to assist particular countries.

- A discussion of the "Acquis Communautaires" should be included (EUROSTAT).
- UNSD is looking for consultants from national institutions to contribute to the drafting of the Manual.

Action required:

- IMF to provide a draft on shuttle trade.
- IMF to forward to UNSD the names of some national experts that could contribute to the drafting of the Manual.
- EUROSTAT to send material on the "Acquis Communautaires" translated into a more understandable form.
- UNCTAD to provide names of experts that could be used for technical assistance.

(b) The Statistical territories of the world for use in international merchandise trade statistics

TF members were informed that the submission of the publication for printing is planned for May 2000, and that the database (in Access format) will be kept up-to-date.

Comments:

- Use should be made of official country names e.g. Hong Kong, China and the term "countries or areas" should be used (WTO).
- The end result should be posted on the EDG (WTO/OECD).
- One major issue is related to SACU (ITC). According to UNSD South Africa will send two data sets starting with data for 1999: one for South Africa, and one for the aggregate of the other countries.
- How this information will be linked to COMTRADE? and could the replies be checked? (EUROSTAT). It is expected that the definition of the country's territory corresponds to that for which data is reported in COMTRADE. The replies cannot be checked but use will be made of users' feedback.

Action required:

- UNSD to post the database onto the EDG prior to publication.
- OECD to e-mail the name of Taiwan Province of China contact to WTO.

(c) Technical information on index numbers of international trade

TF members were brought up to date on the progress UNSD had made to fulfill the UN Statistical Commission request to compile a report on national compilation and dissemination practices with respect to index numbers on international trade. In doing so it was stressed that this work was not meant to be a manual, but only a collection of information. The final technical report is expected to be published one year after the CM. An outline will be disseminated to members of the TF for comments.

Comments:

- IMF indicated that it will produce a working paper this year and a manual could be drafted later on. IMF also requested to have the list of countries that replied to the questionnaire and have index numbers.
- EUROSTAT informed the TF members that it compiles unit value indices using a method close to the one developed by UNCTAD. IMF would like to have access to EUROSTAT methodology.

- FAO mentioned that converting data from national currency into US dollars, as well as data disaggregation at commodity level are issues that should be addressed.
- ITC can make their methodology available.

Action required:

- EUROSTAT to post information on their methodology onto the EDG.
- UNSD to post the list of countries that replied to the questionnaire onto the EDG, with an indication of which ones have index numbers.
- ITC to post their methodology onto the EDG.

(d) Use of CPC and other classifications for aggregating trade data

Following the request made by the Statistical Commission in 1999 as to whether trade data according to the CPC provides useful aggregates for analytical purposes, UNSD prepared a CD-ROM "CPC Trade in goods", which contains a sample of trade statistics according to the goods part of the CPC Version 1.0 (CPC 1.0). The CD-ROM will be provided to members of the TF, the 12 countries whose data have been converted to the CPC, and the 24 members of the Statistical Commission for use by their economists and statisticians, with a request to provide feedback on the usefulness and applicability of the data before end 2000. From preliminary information, there is no demand at the international level, however some countries are starting to use the CPC.

In response to continued user requests, UNSD has also prepared a provisional correlation table between the HS96 and BEC (Excel file HS96BEC). At this stage users of this provisional correlation are required to review all cases where more than one 6 digit HS96 code correlates with a single SITC/BEC code, and make any necessary change. In the meantime, UNSD will continue to refine the concordance.

Comments:

- EUROSTAT indicated that they were not very much interested in using the CPC but rather ISIC, which is more appropriate to compare trade data with other economic indicators.
- UNCTAD mentioned that TRAINS includes correlation tables.

Action required:

- UNSD to provide the "CPC Trade in goods" CD-ROM to members of the TF.
- UNSD to provide to EUROSTAT the list of 76 SITC Rev.3 codes that are not correlated with HS 96.
- Members of the TF to provide feedback on the CPC data before end 2000.
- UNSD to post the Excel file HS96BEC on the EDG.
- Members of the TF to provide comments to UNSD on the contents of the HS96/BEC correlation, its possible uses, and further course of action.

4. FLOW OF DATA AMONG INTERNATIONAL ORGANIZATIONS

(a) Aggregate trade data and trade conversion factors (oral update by IMF and UNSD)

UNSD made an oral report on UNSD/IMF co-operation with respect to aggregate data.

IMF indicated that in order to deal with differences between monthly and yearly data in dollar terms, use is now made of weighted averages of monthly conversion factors to convert *revised* yearly figures. Data in IFS now reflect the revised methodology.

UNSD indicated that consequent to the above change it will source yearly data in dollar terms directly from the IMF subject to implementing necessary changes in computer programmes. The implicit conversion factor derived from IMF's data in national currency and dollars will be used to convert Comtrade data. No big impact is expected.

Comments:

- EUROSTAT would like to have a note on the IMF new methodology.
- UNSD indicated that it sometimes has to estimate an annual conversion factor as the exchange rate or monthly trade value might not be available for November or December.

Action required:

- *IMF to provide a note on its new methodology (to be posted on the EDG).*
- *UNSD to send to IMF the list of cases where the exchange rate had not been available for timely calculation of conversion factors.*

(b) Comparison of annual totals between IFS, MBS, and COMTRADE

UNSD reported on its comparison exercise and provided a detailed action plan for aligning national and COMTRADE totals.

Comments:

- EUROSTAT raised the issue of diverging figures for a given country/period/flow, in cases where this is not the result of subsequent revisions i.e. at a given time the COMTRADE totals should not be different from the aggregate exports and imports found in IFS/MBS.
- UNSD suggested that IMF should source its aggregate data from the responsible authority in each country.
- IMF indicated that for most countries the information is sourced from Central Banks. They intend to broaden their information base beyond Central Banks on a case by case basis.
- UNSD suggested that to promote consistency of data UNSD could collect the aggregates and Comtrade data from the same responsible national authority and provide the aggregates to IMF.
- WTO wanted to know whether UNSD would prioritise the treatment of country/periods. The answer was that, as a rule of thumb, most important countries and latest periods would be treated first.

Action required:

- *UNSD/IMF to pursue the alignment exercise and report back to the TF.*

(c) Differences between annual figures in EUROSTAT and OECD, and

(e) Treatment of EU in international trade statistics

EUROSTAT introduced a report setting out differences that exist between international trade statistics in COMEXT and the corresponding data published by Member States and provided to

international organisations other than EUROSTAT. The comparison of EUROSTAT data with those from OECD revealed that conceptual factors (mainly related to transit trade, trade system, and partner country), as well as revisions were the main contributing factors to the differences. Other factors, such as thresholds and confidentiality, have a limited impact on the convergence of trade data for individual reporters across organizations.

A further issue, which leads to confusion, comes from the aggregation of individual Members States data into an EU total. Although in theory one would expect in the calculation of an EU balance on an international trade statistics basis from country totals that the intra-EU trade balance would be near zero (although for valuation reasons slightly negative), in practice the available figures show it is positive and not negligible. This is due to the INTRASTAT system, which under records arrival flows among EU Member States. INTRASTAT figures excluding asymmetries could be made available before the end of the year. A recommended alternative approach is to substitute intra-imports with intra-exports.

Comments:

- For OECD the document was distributed far too late to allow for detailed comments. OECD questioned the validity of comparing figures based upon different concepts and also to use OECD's yearly aggregates of monthly data instead of the yearly commodity total data files for this.
- OECD reported that, following a visit from EUROSTAT to OECD, it had forwarded to EUROSTAT a full set of its "Monthly Statistics of International Trade". The purpose of this was that EUROSTAT inform OECD which (compatible) EU(15) data could be made available to OECD within the latter's very tight monthly updating time limits. EUROSTAT said they do not have total control over the figures. However, they will collect/maintain aggregate monthly data for intra and extra trade according to both the national and harmonised definitions.
- OECD and UNSD indicated that they are considering to follow a "dual track" approach whereby two totals could be shown for EU - one calculated by adding nationally reported data, and the other one using the EUROSTAT harmonised aggregates.
- UNSD would like to receive, each year, harmonised figures broken down by partner and commodity for EU(15) considered as a single reporter for inclusion in COMTRADE as non-D series or password protected.

Action required:

- *EUROSTAT is invited to set up a procedure that would allow international organisations an easy access to harmonised intra and extra EU aggregate exports and imports.*
- *EUROSTAT to provide OECD and UNSD with harmonised detailed statistics for EU as a whole.*

(d) Exchange of detailed trade data between OECD and UNSD

Members of the TF were informed that UNSD and OECD had signed a memorandum of understanding by which UNSD would use the OECD data for 13 OECD members. The intention is to include all the OECD countries in this arrangement within another twelve months. As of now, use is made of the same input data and conversion factors. Further co-operative efforts will hopefully lead to share the processing.

(f) Inconsistencies between mirror statistics

ITC provided information on the outcome of research work in this field in the form of a technical document entitled *Reliability of Trade Data: an Empirical Assessment of Discrepancies in Mirror Statistics*. The purpose of this study was to obtain measures of the agreement and reliability of trade statistics on exports and imports as reported by countries and maintained on databases such as COMTRADE.

For information purposes, ITC circulated a room document depicting the various tools that have been developed by the organisation for conducting market research.

Members of the TF welcomed the presentation and congratulated ITC for providing valuable information in areas of interest. Details can be found on ITC's web site www.intracen.org.

(g) Internet site with aggregate exports and imports by country

In Washington, discussions centered around the need expressed by some members of the TF for a consistent set of aggregate trade data. As a follow up, the TF exchanged views on the appropriateness and feasibility of setting up a central repository for aggregate exports and imports by country with the view to providing a set of commonly agreed, harmonised and up to date data, readily available to all international organisations.

Although most members were in favor of having such a repository, a number of practical issues were raised. They were related to the contents (hard data with or without estimates), the system (platform and software), the process (who will assemble/maintain the information), and the dissemination policy (who would have access).

Comments:

- IMF questioned the appropriateness of such a repository on the grounds that harmonisation is already being made among organisations.
- EUROSTAT suggested to make a feasibility study, and to consider developing a web page with links to statistics in various organisations.
- OECD proposed to set up a table on the EDG to be filled in by agencies.
- ITC mentioned an interactive Internet site.
- UNSD and UNCTAD suggested to start with data for the most recent 3 years.

Action required:

- *ITC and WTO to prepare a report on this issue for the next meeting.*

5. COMTRADE

(a) Status

UNSD summed up the annual report on COMTRADE by citing further improvements in availability, whereby revealing the positive impact of inter-agency arrangements for sharing national data.

(b) HS to Rev.3 to Rev.2 versus HS to Rev.2 direct

UNSD reported that the results of the comparison exercise confirmed that the direct HS92 to S2 correlation is superior to the indirect HS92 to S3 to S2 correlation. After the importance of the affected codes has been assessed a decision on what to do next will be taken.

Action required:

- *UNSD to report on the course of action during the year, or at the latest at the next meeting.*

(c) COMTRADE for windows

The latest update by UNSD concerned the latest version of the Comtrade for Windows interface programme (CFW 3.0). A first production version was released and made available to all on-line CFW users by the end of 1999. In the first half of 2000 further experiences with CFW 3.0 will be collected and if necessary, further adjustments will be made. The complete update will be made available in a product called CFW 3.1 around June-July 2000.

(d) Y2K compatible COMTRADE

UNSD noted that although the Y2K compliant COMTRADE has been available for a full year and the retrieval system is operational, the systems for the processing of national data are not yet through their final testing phase. As well, some problems were encountered with the "reporter aggregation" module (also reported by WTO). Solutions are expected to be completed shortly.

(e) Client/server COMTRADE

UNSD indicated that it needs to develop a new system that UNSD can support from internal staff resources. This is expected to be a client / server system based on Microsoft SQL 7. Systems specifications are planned to be developed during 2000. It is intended that the new system should meet the needs of users for Internet access to Comtrade.

WTO presented its client/server system (PC-Comstudy) that has been developed by an external consultancy firm to query the COMTRADE database. Mention was made of the main functionality, as well as of the major advantages and drawbacks of a client/server system versus a mainframe-based system. The major drawback is that the client/server system is plagued by higher response time.

In this context IMF indicated that the COMEXT system will be split into two parts i.e. production and reference.

6. ESTIMATION METHODOLOGY

(a) Improving the estimation of aggregate exports and imports

WTO presented a report on the methodology used for estimating aggregate exports and imports. This report was prepared as input for evaluating the possibility of collaboration with other agencies in this field of activity.

Comments:

- UNSD stated that they were using the same family of methods; that estimates were made first each year in June; and that it involved one staff during two weeks (compared with 3 person-months for WTO).
- IMF indicated that they were not making estimates. They wanted to know whether WTO used DOT. The answer was no.
- ESCWA wanted to know whether WTO used disaggregated data for cross-checking purposes. The answer was no.

Action required:

- *UNSD will analyse the WTO estimates and report comparing the two sets at the next meeting of the TF.*

(b) Estimation of world export matrix by commodity groups and regions

An oral report by UNSD indicated that a new approach is being used for estimates at the 3-digit SITC level for all reporters; from this, 22 commodity groups may be derived in future. However, no commitment can be made to produce a matrix based on the new methodology for the next twelve months.,

Comments:

- FAO made several remarks concerning trade flows, quantities, consistency of time-series, and product convergence between reporters beyond 6-digit HS for agricultural products.
- UNSD said that the methodology for making estimates at 3-digit SITC could probably be extended to make estimates at 6-digit HS.
- ITC indicated that a CD-ROM with trade data at 6-digit HS level was developed in collaboration with UNSD.
- IMF informed the TF that the methodological description of DOTS is available.
- EUROSTAT pointed out that they were gathering information, but no trade matrix has been constructed so far.

Action required:

- *UNSD to update their series of documents on estimation methodology and post it onto the EDG.*
- *UNSD and WTO should see if any harmonization of their large commodity groups can be achieved.*
- *FAO to prepare a report on estimates of agricultural product trade for the next TF meeting.*

7. HARMONISED SYSTEM (HS)

(a) HS revision

WCO gave a presentation of the updating process leading to the 2002 amendment. The revisions were adopted by the WCO Council in June 1999 with a 6 months reservation (the US has made a reservation on software). As a result of these revisions, the number of HS codes has been increased from 5113 to 5220. The final correlation tables between HS96 and HS02 will be ready in the course of this year for adoption in November 2000. Implementation will commence on the 1st January 2002.

The next revision, which is due for implementation in 2007, will start in September 2000. In this context, the Harmonised System Committee has already agreed that this and future review cycles would be 5-year cycles instead of four. As well, the Review Sub-Committee recommended that the threshold for the creation and deletion of subheadings be increased from \$20 million to \$50 million. The next review will concentrate on pharmaceutical and high tech products as well as on textiles.

Regarding the WTO schedules of commitments, WCO will co-operate with WTO upon request.

UNSD indicated that they will start working on HS02 / SITC rev.3 correlation and that the draft will be made available to countries for review in early 2001.

Comments:

- FAO wanted to know how to proceed to have organic chemicals identified in the HS. The answer was that a request should be made to WCO.
- UNSD pointed out that an increase of the threshold to \$50 billion could result in having many 6-digit codes dropped from the HS. In order to reduce the number of items that otherwise could be discarded, UNSD will send another data set to the Sub-Committee. This data set will include estimates for countries that do not report to COMTRADE.

Action required:

- WCO to post the HS02 / HS96 draft correlation onto the EDG.

(b) Treatment of split HS codes

The technical note by UNSD could form the basis for discussion between them and EUROSTAT. For example, UNSD could take the EUROSTAT correlations and run a check against their own. Should any differences be found in the HS96/SITC Rev.3 correlation, WCO would like to be informed.

(c) Simplification of data elements in Customs procedures

WCO summarised the G7 Customs data harmonisation initiative whose aim is to simplify Customs procedures through the use of common electronic messages based on UN/EDIFACT. The WCO Secretariat has been invited from the outset to this initiative and it is supporting the G7 presidency in the development of the message implementation guidelines. Since four G7 countries are Members of the EU, the European Commission has been involved in the G7 discussions from the very beginning. Also, to ensure that the development of the APEC project, which is comparable to the G7 initiative, is harmonised and synchronised with the G7 initiative, an APEC representative has been invited to participate. In some instances this initiative would require changes in legislation at national level. WCO could be the custodian body.

On the above, EUROSTAT indicated that their statisticians are appraising the impact of this initiative on statistics. It may be the case that more data could be available.

Regarding the Kyoto Convention, members of the TF were informed that the WCO Council has adopted the revised text in June 1999. Some of the provisions contained in the revised text relate to non-tariff barriers and address the simplification and harmonisation of Customs procedures. It will enter into force once 40 of the present Contracting Parties adopt it.

Members of the TF expressed interest in following up these issues.

Action required:

- *WCO to make available the documents related to both the G7 initiative and the Kyoto Convention. These documents should be posted on the EDG for easy access.*
- *Members of the TF to exchange information.*

8. HS/SITC/ISIC CORRELATIONS (exchange of information)

This new agenda item stems from a proposal made by UNSD at the Washington meeting (March 1999) to have the TF address the relation between trade and industrial activities in terms of the link between product and activity-based classifications. In order to clarify the situation, UNSD had circulated before hand an informal fact-finding questionnaire, and a tour de table helped gathering additional information and observations.

OECD circulated a paper presenting on-going work on conversion tables from HS1 and HS2 to ISIC3. Members of the TF were invited to let OECD know if they would like to take part in the exchange of views, and if they would be willing to prepare a methodological note about HS to ISIC for the November meeting.

Comments:

- UNSD has correlations among successive versions of SITC and ISIC but has never published trade data according to detailed ISIC codes but does publish export data according to 12 aggregated ISIC Rev.2 categories in the UN International Trade Statistics Yearbook.
- At WTO, two Divisions use such correlations and one publishes the information.
- OECD currently uses a HS96 to ISIC3 correlation table sourced from UNSD, and improved in-house. Further improvements would be welcomed and input is expected from other agencies.
- UNCTAD uses these correlations a lot. They pointed out that TRAINS contains correlations between HS92 and five other classifications.
- ITC favours standard correlation tables to be agreed upon by the TF.
- EUROSTAT indicated that HS96/SITC3/ISIC3 correlations are available on the EUROPA web site in MS Access format. They do not convert products into activities for methodological reasons. Their idea would be to stock trade data already converted into ISIC instead of giving users the responsibility of doing this themselves.
- UNIDO converts trade data to ISIC to allow comparison with other activity-based indicators. They use concordance tables provided by OECD. They are developing a trade/production database at the 4-digit ISIC3 level.

Action required:

- *UNSD and OECD to co-operate on HS96/ISIC3 correlation and circulate the results to other members of the TF for assessment.*
- *Interested TF members to let OECD know if they wish to take part in the exchange of views and prepare a methodological note for the next OECD Trade Statistics meeting to be held in November.*

9. GLOBALISATION

(a) Status of the globalisation projects

EUROSTAT presented an updated paper on the work conducted within the Task Force "Business registers/Globalisation" to study the feasibility of integrating information on intra-firm trade into foreign trade statistics.

OECD presented a document summarising the session on globalisation that was held in Paris on 18-19 November 1999. The two main methodological areas that were addressed included the preparation of the manual on globalisation indicators and the liberalisation of trade in services. Several OECD Directorates have ongoing analytical projects on globalisation. Further discussion or enquiries can be taken up directly with Mr. Thomas Hatzichronoglou (e-mail: thomas.hatzichronoglou@oecd.org).

Comments:

- ITC indicated that they are putting together statistics on FDI flows by partner country and industry, and underscored the need for data on activities of foreign affiliates. OECD confirmed that the needs for statistical indicators to measure the internationalisation of trade are enormous.

(b) Alternative trade data sources

ITC made an oral report on their methodology for compiling trade statistics by operator (company) in the context of their work on trade promotion. To do this, use is generally made of Customs declarations, which usually provide company identifier numbers (this is the case for 108 countries). In other instances (e.g. for Republic of Korea and Brazil) use is made of company specific trade data. Another advantage in using Customs data is that they are less impeded by confidentiality requirements, contrary to those obtained from national statistical offices. Also, this type of analysis provides information on processing trade.

Comments:

- Some of this information could find its way into the Compilers' Manual (EUROSTAT/UNSD).

Action required:

- *IMF to provide a draft text on the recording of processing trade (net and gross) for inclusion into the Manual.*
- *EUROSTAT and ITC to draft a few paragraphs on the fuller use of all the data in a customs transaction (enterprise code, customs regime code) for trade statistics for inclusion into the Manual.*

10. INTRASTAT, EUROTRACE AND ASYCUDA PROJECTS, and 12. REVIEW OF TECHNICAL ASSISTANCE

EUROSTAT updated the TF on their field projects that started in 1999, most of which are mainly focussed on quality and service to users (analysis of data quality, reconciliation exercises, work with Customs, availability of foreign data through COMEXT, etc.).

EUROSTAT also briefed the TF on their work on the tools, which include EUROTRACE, and TIM (Trade Indices Module). The latter being an Excel package that can be used with EUROTRACE or with home-made production tools. The Unix/DOS solution for National EUROTRACE, constructed in 1999, will provide the support to production that some large countries need before the availability of the future EUROTRACE in client-server technology (its feasibility study started in September 1999).

Concerning INTRASTAT, work is being done to simplify the Combined Nomenclature, and a task force deals with INTRASTAT asymmetries. A "good practice handbook" is being drafted and different models to build a harmonised EU(11) BOP account are being tested.

UNCTAD indicated that ASYCUDA is operational in 82 countries (from 75 last year).

UNSD cited the positive impact of ASYCUDA and EUROTRACE on the availability of trade data. Many of the new countries reporting to UNSD are those which have introduced these systems. The question was whether EUROTRACE could build the obligation to submit trade data into the international system. The answer was that EUROTRACE can't make this mandatory. In this context, ITC's view was that both ASYCUDA and EUROTRACE systems should end up having the beneficiary countries provide their trade data to the international community. It was noted that out of 82 ASYCUDA countries, more than half do not report their trade statistics. To improve the situation one could for example introduce a success criteria into ASYCUDA and broaden the use of EUROTRACE. Making EUROTRACE available to more countries was also mentioned by the IMF.

Other areas of technical assistance. UNSD is organising workshops on revised concepts and definitions in Chile and Kenya (May and October 2000, with lecturers from EUROSTAT and WCO). IMF is currently providing bilateral technical assistance and they are ready to make their expertise available if necessary. ITC will set up seminars for analysing trade data that are open to everyone (November 2000). WTO mentioned that they provide technical assistance for IDB implementation. ESCWA indicated that they have 15 regional advisers of which one is specialised in WTO matters, and that every two years the Statistics Division organises a workshop on statistical issues related to all kinds of economic indicators (e.g. trade, BOP, SNA, etc.).

Action required:

- EUROSTAT to look for ways to ensure that foreign trade data files generated by ASYCUDA and processed under EUROTRACE are actually included in COMTRADE, and to investigate the possibility of extending the use of EUROTRACE.
- UNCTAD should try to ensure that foreign trade data from the ASYCUDA system are forwarded to the national statistical offices for processing and submission to COMTRADE.

11. PRICE AND VOLUME INDICES

UNCTAD informed the TF that no additional work was done on the HS-based world trade deflator system. If, however, the coverage had sufficiently improved an update could eventually be done next year. Extending time-series beyond 1996 would also mean finding ways to accommodate the changes introduced by the 1996 HS revision to the commodity contents.

EUROSTAT has developed a new methodology and software for calculating unit value and volume indices. A longer term project is to obtain data on prices, which are more appropriate for deflating trade of heterogeneous products.

Action required:

- EUROSTAT would share their methodology and end-product with IMF and other interested organisations, and keep the TF informed about its longer term project.

13. EDG - INTERNATIONAL TRADE STATISTICS

WTO drew attention of the TF that, up to now, the EDG was only used as a repository for documents. OECD further presented all the benefits that could be derived from using such an electronic forum. The advantages in terms of communication and targeted exchanges of information are tremendous. The EDG will allow the task force to continue its work more effectively between meetings.

The discussion focussed on the enlargement of authorised users.

Conclusion:

- It was decided that the EDG will not be enlarged beyond the members of the TF. However, staff within member organisations can be granted access.

14. EU EFFORTS TO STUDY THE INTERACTION BETWEEN BOP, SNA AND EXTERNAL TRADE

EUROSTAT presented a document on inconsistencies between external trade statistics and BOP. The objective of this report was to bring out a first analysis concerning: (i) the major conceptual differences, and (ii) the main practical conversion operations carried out in the Member States.

From partial replies to the questionnaire sent to EU Member States (MS) to obtain information on how they calculate the "goods" part for BOP purposes, it appears that:

- 13 MS use merchandise trade data, and 2 (BLEU and Greece) use settlement data;
- almost all MS carry out a CIF/FOB conversion;
- other relatively significant adjustments include those made by the Netherlands to subtract disguised direct transit trade, and those made by Portugal to include goods not covered in foreign trade statistics.

Comments:

- Apart from CIF/FOB, other adjustments are not significant (UNSD).
- Adjustments are not significant because information is not available (IMF). Incidentally, IMF recognised that their CIF/FOB conversion factors did not reflect reality.
- Many NSOs are not always aware of the problems (IMF).
- Customs data do not reflect the whole reality of trade flows (IMF, EUROSTAT). The answer from UNSD is that this is acknowledged in IMTS Concepts and Definitions, which means that Customs data need to be supplemented by information from other sources.
- These issues need to be followed up (ITC).

Further major actions by EUROSTAT:

- A new questionnaire will be sent to MS;
- BOP "goods" data will be calculated using harmonised EU merchandise trade statistics;
- the methodology for estimating CIF/FOB ratios will be revised; and
- Member States will be asked to provide estimates for threshold and non-response trade.

Actions required:

- EUROSTAT to keep the TF informed on progress.
- ITC to make proposals with regard to possible further actions.
- Other members of the TF to share ideas and information with EUROSTAT.

15. ELECTRONIC COMMERCE

WTO circulated three room documents and members of the TF exchanged preliminary information on electronic commerce (EC).

Comments:

- Most of the work on EC is conducted in the framework of trade-in-services statistics (WTO).
- EC is not a big issue for merchandise trade statistics (OECD, WTO). This matter is extensively discussed within OECD.
- How to identify, classify, and collect data for digitised goods (EUROSTAT, IMF, ITC). IMF suggested that classification issues should be taken over by the UN Classifications Committee. UNSD indicated that measurement problems are being addressed at national level.
- Trade in digitised goods, which is often made in "small packets", would escape Customs registration (EUROSTAT). WCO indicated that they are addressing the issue. Information on such trade could be obtained from transport companies (e.g. FedEx, UPS, etc.).

Action required:

- *Members of the TF are invited to post relevant information onto the EDG. The objective is to have a comprehensive synopsis of issues and on-going activities, which would help defining a strategy for further action.*

16. OTHER BUSINESS

(a) Time and place of next meeting

Following preliminary discussions with ESCWA, WTO proposed that the next meeting takes place in Beirut sometimes in March or April 2001, and be hosted by ESCWA subject to their formal approval. The final dates will be decided in collaboration with ESCWA.

The TF agreed to this proposal.

(b) Date of the next OECD meeting on Trade Statistics (additional item)

OECD announced that this meeting, the second to be hosted by OECD on merchandise trade would be held on 20-21 November 2000 in Paris. This meeting will be methodology and issue oriented. Members of the TF are invited to participate.

OECD informed the TF that Ivation has developed a query tool based on Beyond 20/20 that will permit extracting any information according to user-defined criteria. All OECD data that are now disseminated on CD-ROM will be put on the Internet. Access should be free of charge for other international organisations.

(c) Rationalisation of the agenda (additional item)

WTO made a succinct oral presentation of what could be the structure of the agenda for the next meeting.

Action required:

- *WTO to prepare a revised structure of the agenda and to post it onto the EDG for comments.*
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