



What balance between customs sources and non- customs sources?

Agenda item 12

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Structure of the presentation

- Pros and cons of customs statistics
- Globalisation requires a re-thinking of how to collect which statistics
- The place of trade statistics
- The need to place trade statistics into the Business Register System
- Two examples of very recent statistical reform: Integrated register design in The Netherlands and Germany
- Some points what Customs might wish to consider

What customs statistics reveal

- Detailed international trade flows by
 - Commodity
 - Value
 - Weight
 - Origin and destination world-wide
 - Mode of transport
 - Goods for processing
 - Etc.
 - Over long time periods in different classifications

Customs statistics...

- Provide a uniquely detailed picture of a country's trading pattern with partner countries
- Collect the necessary information for raising taxes, import duties and export schemes
- Permit to detect trade of hazardous goods, smuggling, sanitary and phyto-sanitary threats, etc.

Customs statistics...

- Allow detailed monitoring of trade flows as a MICRO data set
- Allow governments and researchers to perform economic analyses and forecasts on the country's tangible and measurable trade
- Allow to detect export potentials and contribute to assess a country's competitiveness
- Etc...

But

- Customs statistics are only one element of a wide variety of administrative and statistical data sources necessary to fully understand , monitor and analyse a country's economy
- They have their usefulness for many purposes, but could be even more useful when integrated into national standard reporting systems alongside with others

Globalisation is driving us to reconsider...

- What we do and in what detail we need data for users ?
- Where are links to other needed information and how we can integrate elements from different sources ?
- How can we trace the different elements of multinationally produced goods and services?
- International reporting units are necessary but very difficult to construct
- New methods needed to approach statistics?

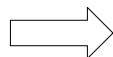
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7

What is the globalisation challenge?

- Some thoughts based upon OECD's reflection on globalisation statistics

- To what extent can the intensity of the globalisation process be measured?
- How can the impact of globalisation on economic performance be evaluated?
- How can we measure the impact of structural reforms ?



So far, almost exclusively the first question is addressed in OECD's

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8

So what is mainly needed ?

- Develop **IMPACT MEASURES** to measure outcomes in addition to output. Relate causes to effects, (e.g. export growth and growth in employment), linking sources
- Translate major policy questions into statistically operational concepts
- Adapt the statistical reporting systems to the fact that production activities have no national borders, flatter vertical integration of production, etc.
- Design a National System of inter-related statistical registers

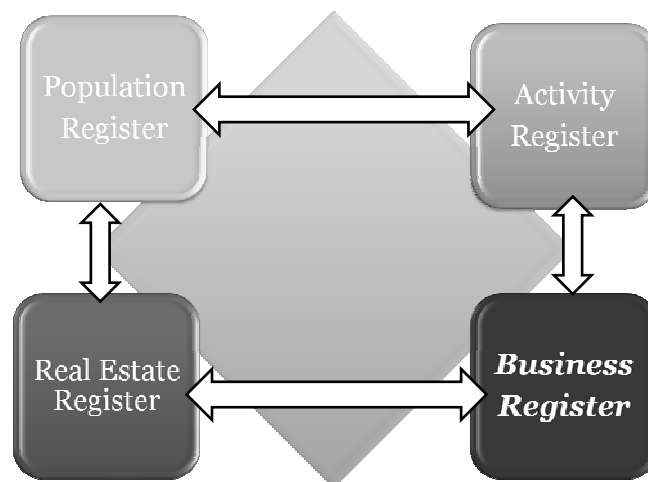
Where fit then trade statistics into ?

- They are becoming more important, along with other statistical domains which can shed light on the new world-wide operation of businesses
- But they are too often isolated from related domains and obey to their own set of definitions and statistical infrastructure
- To be more useful, trade statistics need to be “integratable” into the national system

Trade statistics are an indispensable part of a system of statistical registers

- Today, customs data still has a “stovepipe” characteristic
- ...but they need to fit into a national statistical system which is based upon a mix of multiple sources, a national data warehouse, with common definitions and bridging possibilities to other, different, characteristics and registers
- **Compatible trade registers are needed**

A system of statistical registers



Trade is part of Business Registers (the red box)

Business registers include:

- Enterprise registers (name, activity, ID..)
- VAT registers
- Income declarations
- Accounts data
- Foreign Trade register
- Farm register
- Patent register, etc. ...

Could Balance of Payments be a substitute?

- Not at all, BOP is a MACRO data set
- Responds to different needs (income instead of addition/subtraction to the national stock of goods)
- Customs sources have the additional advantage to be an obligatory part of international flows between sovereign nations
- BOP could never give the detail necessary for commodity flow analysis across countries

Integrated register design: an example of good practice - The Netherlands

- **Business survey frames specialists design the national statistical inquiry system**
- **The Business Register in relation to changed Data Collection Strategies is currently the “hot topic”**
- **The Wiesbaden Group on Business Survey Frames analyses and shares progress**

Dutch data collection strategy (1)

1. Use of administrative data (if available)
2. Self administered reporting
 - Electronic questionnaires
 - Internet
 - E-mail
 - Other media (e.g. CD-Rom)
 - Paper questionnaires
3. (CA)TI: (Computer assisted) telephone Interviewing
4. (CA)PI: (Computer assisted) personal interviewing

Dutch data collection strategy (2)

Differentiation according strata by size and complexity of enterprises

1. Large and complex enterprises (1%): tailor-made and co-ordinated data collection
2. Small enterprises (90%): use of administrative data. Data collection by survey should be avoided
3. Medium sized enterprises (9%): mixed mode; optimal combination of the use of administrative data and data collection by survey
4. "Holiday period" for surveyed entity!

Dutch data collection modes

- **Joined data collection in co-operation with other data collecting organisations: once questioned, multiple used.**
-> negotiations on definitions (units and variables)
(e.g. chambers of commerce, business associations)
- **New data collection techniques and procedures -**
> e.g. XBRL (extensible business reporting language)

Dutch register developments

- **End nineties: introduction of the single administrative business register, initially operated as a unit reference system for some administrative systems (tax, chambers of commerce, statistics, social security)**
- **In 2008 the introduction of the new trade register (NHR) as the single exhaustive administrative business register. The authentic variables (e.g. identification number) must be used (by law) in all official registers.**
- **Statistics Netherlands has full and free access to registers containing data useful for statistical purposes (regulated in the Dutch law on statistics)**

Wiesbaden, October 23, 2007

19

Could we learn from this experience ?

- Yes. Integration and resource-efficiency, coupled with a lowest possible burden on respondents are the new Dutch model
- ...but such an approach may be more difficult the bigger the country
- ...and also raise legal/confidentiality issues as to the full access of the NSO in other countries

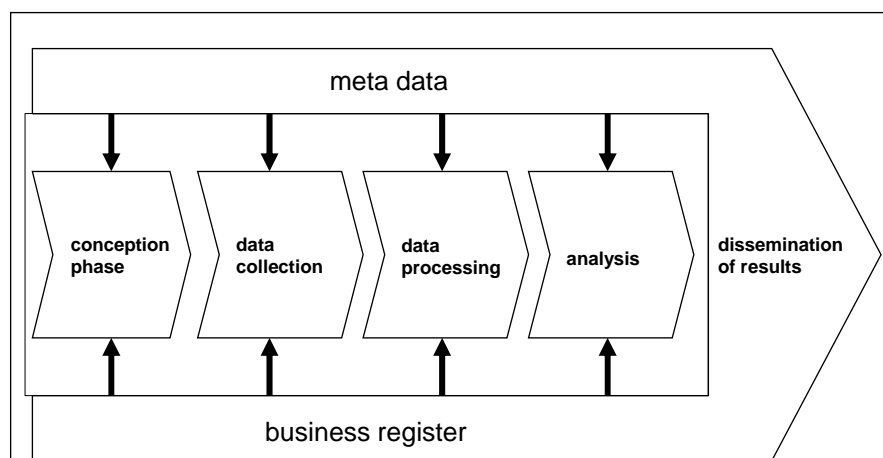
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20

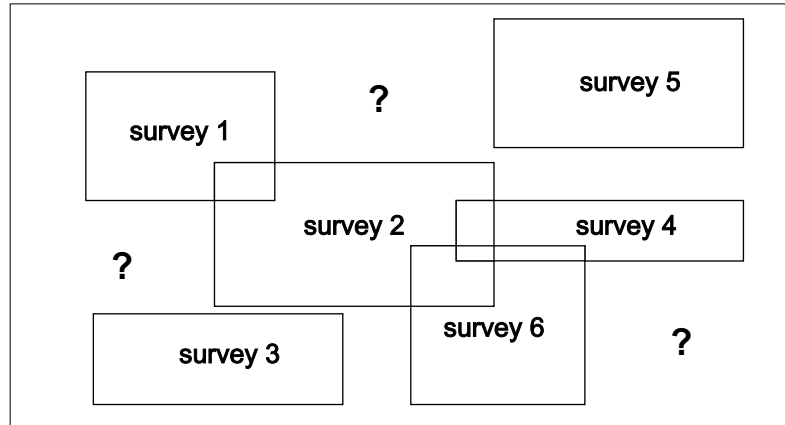
Another example of good practice: Germany

- Conception phase precedes data collection
- Analysis precedes dissemination
- Metadata is an integral part of the whole process
- The Business Register is a coherent system of business registers
- ...capable to link multi-sources and
- ...capable of allowing multi-uses depending on the questions to be answered

The New German Business Register in the statistical production process

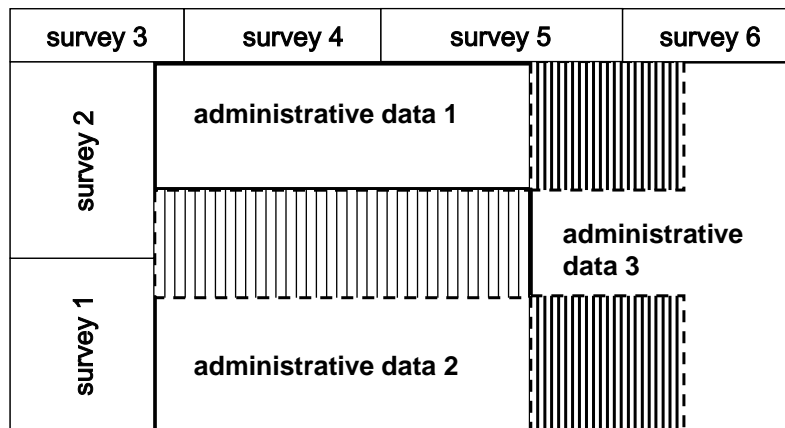


Present situation of business statistics



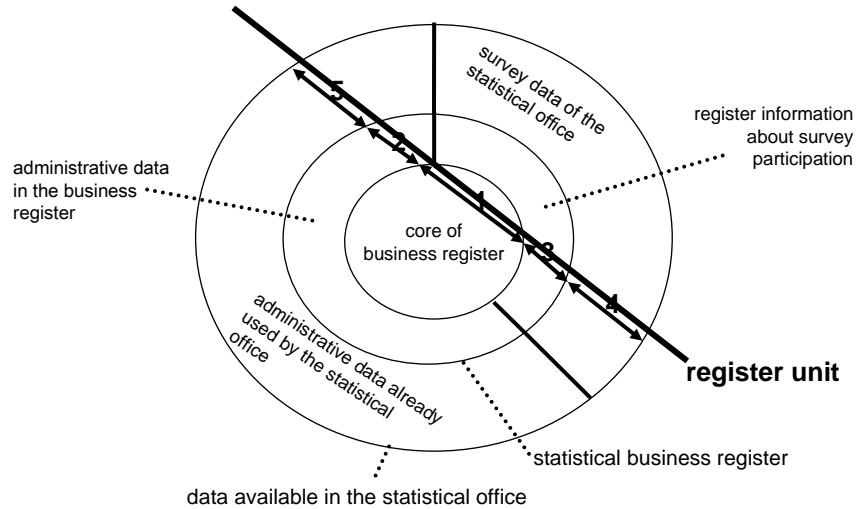
18.12.2007 Folie 23

The new German maxim for business statistics



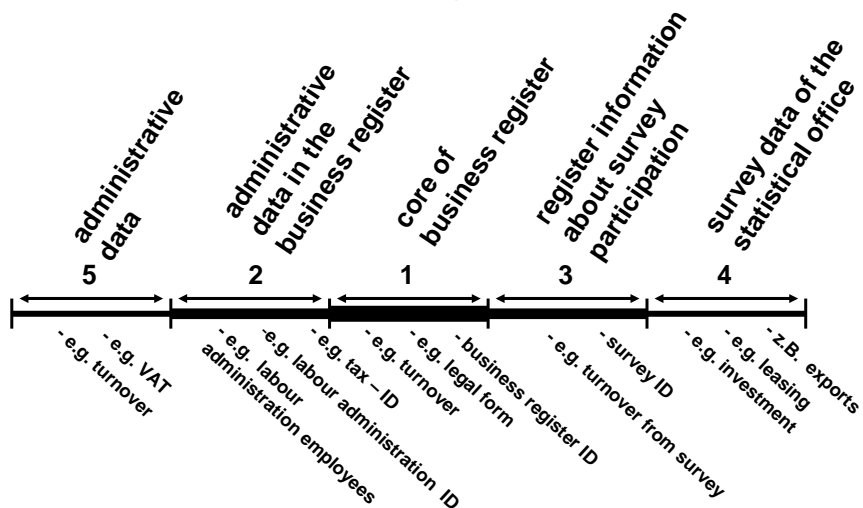
18.12.2007 Folie 24

The statistical business register as an instrument for data combination

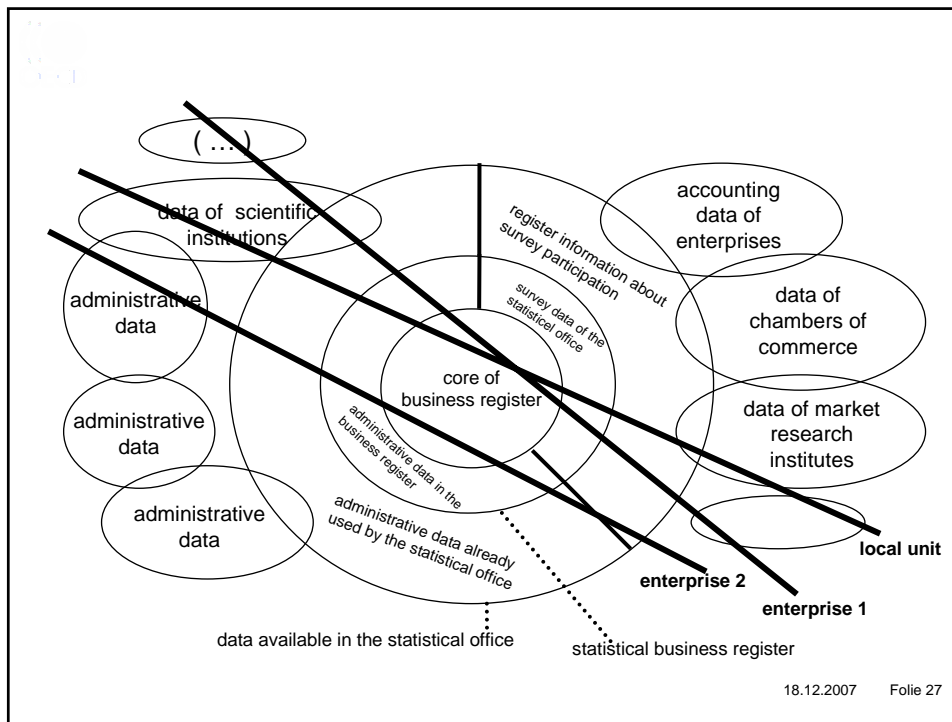


18.12.2007 Folie 25

Data combination of a register unit



18.12.2007 Folie 26



What may customs sources consider ?

- It is undisputable that customs have their firm place in a national statistical system
- But their “system design” of data collection may benefit from
 - A thorough study on how to integrate better the wealth of data available into the national statistical system
 - A new approach to trade registers: based upon a national ID, a trader would be kept (although perhaps a non-trader for year X)

What may customs sources consider ?

- Would it be conceivable to design the identification of trading companies within a nation-wide Register system with one ID per statistical unit?
- Trade-offs will probably have to be made: could one, for instance, sacrifice too much commodity detail for the benefit of additional survey characteristics, identifying more often asked variables?
Which ones?

What may customs sources consider ?

- Could some variables, important for globalisation analysis, such as the position of the trader in a multinational production process, be integrated ?
- If not, would it not be better to charge the NSO with such a task instead leaving this key data collection to private data sources as is currently most often the case ?

What may customs sources consider ?

- While any national public statistical activity is under permanent scrutiny and pressure to reduce and rationalise, customs sources are acknowledged as indispensable, be it alone for national security and the like
- A full integration into a national system, orchestrated by the NSO, would probably boost use of commodity trade data

Conclusion

- So, customs position is relatively strong
- If, in addition, customs statistics would become easier to integrate with other economic statistics through an overhaul of the trade register and its integration into the national system, their usefulness would be perceived more widely through additional users

11
12
13

Thank you for your attention