

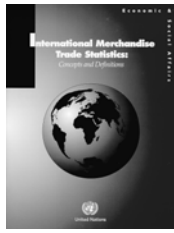


UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION

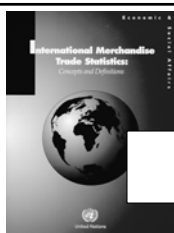
Expert Group on International Merchandise Trade Statistics
First meeting
New York, 3-6 December 2007

Presentation
UNSD

Item 7: Trade System



IMTS, Concepts and Definitions, Rev.2 Chapter II: Trade System



General Trade System



- General Trade
 - statistical territory =
economic territory
- Special Trade
 - strict definition
 - statistical territory =
free circulation area
 - relaxed definition
 - statistical territory =
free circulation area
+ inward processing area
+ industrial free zones



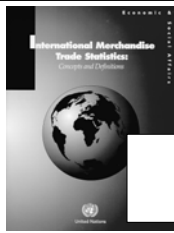
Basic principles of International Merchandise Trade Statistics

The General Trade System is in use when the statistical territory of a country coincides with its economic territory. Consequently, under the general trade system, imports include all goods entering the economic territory of a compiling country and exports include all goods leaving the economic territory of a compiling country.



Basic principles of International Merchandise Trade Statistics

The Special Trade System (strict definition) is in use when the statistical territory comprises only the free circulation area, that is, the part within which goods "may be disposed of without customs restriction".



Basic principles of International Merchandise Trade Statistics

The Special Trade System (relaxed definition) is in use when (a) goods that enter a country for or leave it after inward processing and (b) goods that enter or leave an industrial free zone are also recorded and included in international merchandise trade statistics

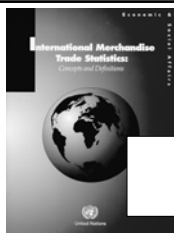


1993 SNA Rev.1 and BPM6

The economic territory of a country

“an economic territory can be any geographic area or jurisdiction for which statistics are required. Although in many cases, an economic territory is a country, that is not necessarily the case” and it includes:

- o Airspace, territorial waters, and continental shelf
- o Territorial enclaves in the rest of the world
- o Any free zones, or bonded warehouses or factories operated by offshore enterprises under customs control

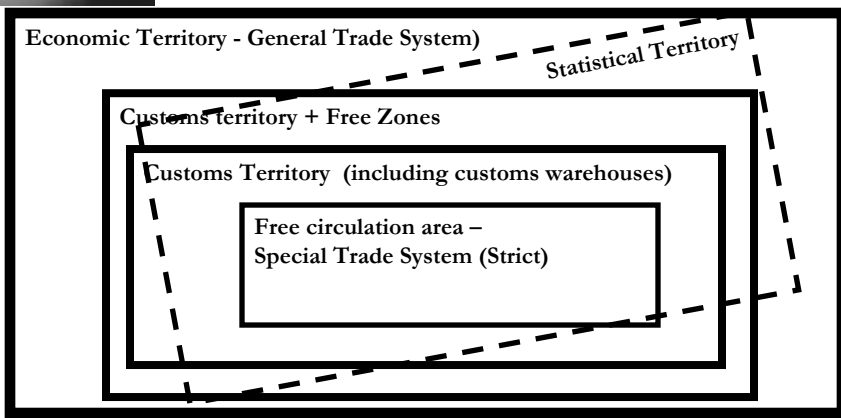


Basic principles

The customs territory of a country is “the territory in which the customs law of a country applies in full.” However, in some countries certain territorial elements (such as free zones or continental shelf) may not be under customs control and trade referring to those elements should be captured via non-customs sources.



Basic principles of International Merchandise Trade Statistics





Section 5: Trade System

Do you include in your trade statistics goods entering or leaving the following territorial elements

5.01	industrial free zones
5.02	commercial free zones
5.03	customs warehouses
5.04	premises designated for inward processing



Section 5: Trade System

Do you include
leaving the fo

121 Countries

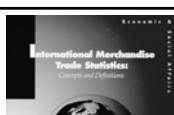
		Question	Yes %	No %	N/A %
5.01	indu	5.01	53.7	27.4	18.9
5.02	com	5.02	52.9	29.8	17.3
5.03	cust	5.03	68.6	27.6	3.8
5.04	premi	5.04	63.1	26.2	10.7



Section 5: Trade System

Do you include in your trade statistics goods entering or leaving the following territorial elements

5.05	territorial waters, and continental shelf
5.06	offshore territories, possessions, dependencies etc (including outer space installations).
5.07	your country's embassies, military bases and other territorial enclaves in other countries

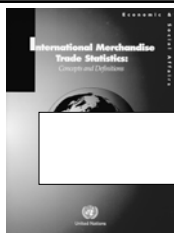


Section 5: Trade System

Do you include
leaving the fo

121 Countries

		121 Countries			
		Question	Yes %	No %	N/A %
5.05	terri	5.05	35.6	41.6	22.8
		5.06	21.6	50.0	28.4
5.06	offs etc (including outer space installations).	5.07	17.8	70.3	11.9
5.07	your country's embassies, military bases and other territorial enclaves in other countries				



Section 5: Trade System

If your country is a member of a customs union, do the trade data cover:

5.08 both trade with countries outside the union and intratrade with the member states of the union?

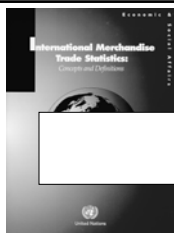
5.09 only trade with countries outside the union and exclude intratrade with member states?



Section 5: Trade System

If your country is a member of a customs union, do the trade data

		121 Countries		
	Question	Yes %	No %	N/A %
5.08 both trade with countries outside the union and intratrade with the member states of the union?	5.08	60.2	18.2	21.6
5.09 only trade with countries outside the union and exclude intratrade with member states?	5.09	7.2	69.0	23.8



Section 5: Trade System

5.10 Do you disseminate trade statistics **only** according to the general trade system ?

5.11 Do you disseminate trade statistics **only** according to the special trade system ?

5.12 Do you disseminate trade statistics according to **both** the general **and** special trade system ?



Section 5: Trade System

		121 Countries			
	Question	Yes %	No %	N/A %	
5.10	Do you disseminate trade statistics only according to the general trade system ?	47.2	51.9	0.9	
5.11	Do you disseminate trade statistics only according to the special trade system ?	41.1	55.1	3.8	
5.12	Do you disseminate trade statistics according to both the general and special trade system ?	22.1	71.6	6.3	

5.12 Do you disseminate trade statistics according to **both** the general **and** special trade system ?



Country Practice: China, Hong Kong SAR

HK offers assembling and testing for electronic toys in plastic casing

- This is inward processing

HK changes criteria country of origin if

- Assembled in Hong Kong and
- Containing 25% Hong Kong cost content attributable to local component parts and labor

If those criteria are not met, HK registers trade as re-export, otherwise export



Import Flows

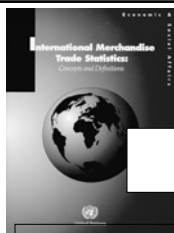
Foreign Goods

From the rest of the world or from customs transit

1. Into the free circulation area, premises for inward processing or into industrial free zones (Special and General)
2. Into premises for customs warehousing or commercial free zones (General)

From premises for customs warehousing or commercial free zones

3. Into the free circulation area, premises for inward processing or into industrial free zones (Special)



Re-Import Flows

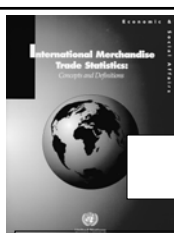
Domestic Goods

From the rest of the world or from customs transit

1. Into the free circulation area, premises for inward processing or into industrial free zones (Special and General)
2. Into premises for customs warehousing or commercial free zones (General)

From premises for customs warehousing or commercial free zones

3. Into the free circulation area, premises for inward processing or into industrial free zones (Special)



Export Flows

Domestic Goods

From the free circulation area or industrial free zones or premises for inward processing

1. To the rest of the world (Special and General)
2. Into premises for customs warehousing or commercial free zones (Special)

Originating in the free circulation area or industrial free zones or premises for inward processing but exported from premises for customs warehousing or commercial free zones

3. To the rest of the world (General)



Re-Export Flows

Foreign Goods

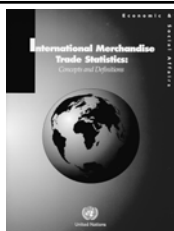
From the free circulation area, premises for inward processing or industrial free zones

4. To the rest of the world (Special and General)

5. Into premises for customs warehousing or commercial free zones (Special)

From premises for customs warehousing or commercial free zones

6. To the rest of the world (General)



Thank you for your attention