



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**

**Towards the Third Revision of
International Merchandise Trade Statistics:
Concepts and Definitions**

UNSD Report

New York, November 2007

A. Background

1. The current recommendations for use in international merchandise trade statistics were adopted by the United Nations Statistical Commission at its 29th session in 1997 and published (1998) in *International Merchandise Trade Statistics: Concepts and Definitions, Revision 2 (IMTS, Rev.2)*. In 2004 *International Merchandise Trade Statistics: Compilers Manual (IMTS:CM)* was issued to assist countries in implementation of IMTS, Rev. 2. Both publications were promoted by UNSD and other agencies-members of the Task Force on International Merchandise Trade Statistics (TFIMTS)¹ including in a series of training workshops for developing and transitional countries. These efforts helped in harmonizing IMTS methodologies across countries and, therefore, helped to increase cross country data comparability and availability for international users (see a separate document on this topic - *Availability of international merchandise trade statistics: UN Comtrade from 1996 to 2006* [pending]). However, with time it became apparent that the next cycle of review and updating of the recommendations is needed.

B. Reasons for the revision

2. The third revision of recommendations for international merchandise trade statistics (IMTS, Rev.3) became necessary, *inter alia*, in view of:
- (i) changes in the way international merchandise trade is conducted, e.g., increasing globalization of the production and distribution processes, expansion of intra-firm trade, transactions with bundled goods and services components;
 - (ii) changes in legal environment such as adoption by the WCO Council of the Revised Kyoto Convention and new legal/administrative measures for increased security or further simplification of customs formalities;
 - (iii) changes in related statistical frameworks, like the 1993 System of National Accounts and the Balance of Payments Manual;
 - (iv) changes in user needs, including increased demand for more detailed and timely data for market access negotiations and trade policy purposes, market research by business community and economic analysis (e.g., linking industry and trade data);

¹ TFIMTS is an inter-agency body and consists of representatives of Department of Economic and Social Affairs of the United Nations Secretariat (Statistics Division, Macroeconomics Division), Economic Commission for Latin America and the Caribbean, Economic and Social Commission for Western Asia, United Nations Conference on Trade and Development, Food and Agriculture Organization of the United Nations, International Monetary Fund, World Trade Organization, International Trade Center, Organisation for Economic Cooperation and Development, Statistical Office of the European Communities and World Customs Organization

- (v) need for further clarification of some existing concepts and improvement of the overall readability.

The need for a new revision was discussed by TFIMTS which supported the UNSD initiative to begin the process in 2007 aiming at submission of the revised recommendations to the UN Statistical Commission for adoption in March 2010.

C. Organization of the revision process

3. To ensure active country involvement into the revision process and to obtain their endorsement of the future draft IMTS, Rev.3, UNSD decided to establish the United Nations Expert Group on International Merchandise Trade Statistics (EG-IMTS) which will hold its first meeting from 3-6 December 2007 in New York. A number of international organizations active in production and/or use of international merchandise trade statistics are also invited to participate in EG-IMTS and provide their views on the issues. The first meeting of EG-IMTS is to review areas where the revised or new recommendations are needed, establish a list of issues for the worldwide consultations, and to discuss a draft outline of the IMTS, Rev.3.

4. In December 2007, UNSD will submit a separate report to the 39th session of the UN Statistical Commission which describes the need for the new revision, organization of the revision process including terms of reference of the EG-IMTS, scope and timing for a worldwide consultation.

5. Based on conclusions of the EG-IMTS and taking into account comments and suggestions of the TFIMTS, UNSD will prepare a list of issues for the first round of worldwide consultations and will conduct it in May -June 2008.

6. During July-October 2008 UNSD will prepare a report summarizing results of the consultation and will organize a virtual meeting of the EG-IMTS in November 2008 to assess how to incorporate those results into the first version of the provisional draft of IMTS, Rev.3. Both the summary report on the worldwide consultation and the report of the virtual EG-IMTS meeting will be made available to TFIMTS for comments.

7. By the end of March 2009 UNSD will prepare the first version of the provisional draft of the IMTS, Rev.3 and organize a worldwide consultation on it during April-May 2009. UNSD will prepare a report summarizing results of consultation on the first version of draft IMTS, Rev.3 and will make it available to both EG-IMTS and TFIMTS. Taking into account received comments and suggestions UNSD will then prepare a second version of the provisional draft (August 2009) and submit it to the second meeting of EG-IMTS for review and endorsement. The second EG-IMTS meeting is tentatively scheduled for September/October 2009.

8. After incorporation of the EG-IMTS comments UNSD will submit the final draft of IMTS, Rev.3 to UNSC (November 2009). After adoption of the IMTS, Rev.3 by the Commission it will be made available on the UNSD website and countries will be notified that new recommendations are in effect. IMTS, Rev.3 will be translated in all official UN languages and published later in 2010 or in 2011.

9. Beginning the second half of 2010 UNSD will begin its technical assistance activities to help countries in implementation of IMTS, Rev.3. The programme of technical assistance will include developing of training materials and preparation of the updated version of *International Merchandise Trade Statistics: Compilers Manual*.