



SPECIAL FEATURE:

ESCWA REGION: STRENGTHENING CAPACITY IN INTERNATIONAL MERCHANDISE TRADE STATISTICS

Good quality of international merchandise trade statistics (IMTS) is crucial for analyzing economic development at national and international level. The current merchandise trade data in the ESCWA region is inadequate and suffers from a number of weaknesses including poor coverage, non-compliance with IMTS recommendations, improper treatment of confidentiality and insufficient treatment of e-commerce. One reason could be a lack of coordination between the national statistical offices (NSOs), customs authorities (Customs) and other institutions involved in recording and processing of IMTS data.



Development account project K entitled "Strengthening the Development of International Merchandise Trade Statistics and the Compilation of e-Commerce in Member Countries of the Economic and Social Commission for Western Asia (ESCWA)", is proposed to improve this situation. The duration of the project will be 36 months and will start in 2006. ESCWA will be the lead entity working in partnership with mainly UNSD and some other agencies like FAO, UNCTAD and Eurostat. The project will carry out a number of activities including 5 workshops and 2 series of country missions.

Target beneficiaries of the project are trade compilers in national statistical offices, customs authorities and other national institutions involved in compilation of international merchandise trade

data in all 13 ESCWA member states, namely, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, the Syrian Arab Republic, United Arab Emirates and Yemen. Decision makers, academic institutions and research centers will also benefit from and enjoy the availability of timely quality IMTS data.

The project's strategy will focus on refining the methodologies of compilation, processing and dissemination of trade data, improving the coverage and the quality of trade data collected and promoting the knowledge of the standard concepts and definitions.

The overriding objective of the project is to assist ESCWA member countries in developing and improving their capacity to collect, process, analyze, utilize and disseminate trade data for the formulation, monitoring and evaluation of national plans and policies for international and regional trade negotiations.

Five regional workshops will be conducted. The first workshop will bring together customs officers and trade statisticians from the national statistical offices to discuss the issues raised during the pre-mission at the national level. Issues of concern are the status of automated import and export declaration routines at Customs, the links between the main customs offices and the remote offices, the amount of declarations still produced on paper, the available fields on the customs declaration, the

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UNESCWA

Further information
on the United
Nations Economic
and Social
Commission for
Western Asia is
located at
www.escwa.org.lb

degree of completeness of the filled declarations and their validity checking. Further, the connection between Customs applications and the data processing software at NSO needs to be discussed, as well as the division of responsibilities and the established agreements between Customs and NSO.

The second workshop will bring back the NSO trade statisticians to follow-up on the correct application of the IMTS recommendation and validity checking with hands-on relation to the national data sets. UNSD will present the Compilers Manual to IMTS and discuss some current issues of data compilation. The third workshop focuses on the issue of

import and export trade indices, whereas the fourth one will include the issue of e-commerce.

The fifth and final workshop will be organized at the end of the project to discuss overall implementations of the project and perform evaluation of the whole project for future plans. The focus of this workshop will be on lessons learned and on sustainability of capacity in compiling IMTS data in this region. Details for a trade statisticians' network will be discussed, including an Internet forum specifically for the trade statisticians of the ESCWA member states and a plan for an active exchange program to the benefit of less advanced regional offices.

DATABASES AND PUBLICATIONS: UN COMTRADE'S NEW WEB PORTAL

The latest developments regarding UN Comtrade is the new entry page: UN Comtrade's web portal at <http://comtrade.un.org>. The portal gives entry to 6 different applications of the UN Comtrade system, namely (1) the well-known database, (2) the trade publications, (3) the knowledge base, (4) the expert forum, (5) the community forum and (6) the web services. The UN Comtrade database is the core of the system with the world wide detailed trade data and the powerful extraction tools. The knowledge base – which is an integrated part of the UN Comtrade database – can also be queried separately for those who want a better understanding of what is behind the numbers.

For the first time UNSD is putting its voluminous International Trade Statistics Yearbooks on the Internet. Individual country or commodity pages, as well as the analytical Special Tables can be downloaded for free. The complete publication can also be downloaded but for that you will need to be a subscriber to UN Comtrade.

Also new are the forums of UN Comtrade: one for the general, the other for trade statistics experts. At the Commu-

nity Forum questions can be posted that range from how to use certain database functionalities to how to interpret certain data records. While the UN Comtrade team of UNSD will try to answer all questions, in time we hope that other Comtrade users will step to plate and give their solutions.

The Expert Forum is UNSD's new tool to provide technical assistance to national data compilers from developing countries. We will try to initiate discussion on current compilation problems and get experts from around the world to post their views. We hope that in time the compilers who encounter problems do not hesitate to drop the question at this Expert Forum.

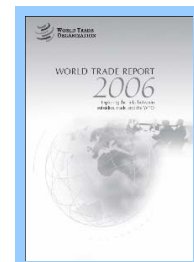
Finally, the last door of the portal opens to the web services tools which can help the avid UN Comtrade user in bringing very efficiently large amounts of data at regular intervals to the user's environment.

For
merchandise
trade data by
commodity and
partner country
please visit UN
Comtrade at
[http://
comtrade.un.org/](http://comtrade.un.org/)

DATABASES AND PUBLICATIONS: NEW PUBLICATIONS BY UNSD AND OTHER ORGANIZATIONS

WTO's World Trade Report In July 2006, the World Trade Organization (WTO) released its annual World Trade Report (WTR 2006). This year's report has a special focus on subsidies, exploring their definition, the reasons why governments use them, as well as the most prominent sectors in which they are applied. It also highlights the role of the WTO Agreement in regulating subsidies in the context of international trade.

The report examines 2005 trade developments and includes four essays; on textiles and clothing trade trends, flows of international receipts, trade trends of least-developed countries and the trade impact of natural disasters and terrorist acts.



WORLD TRADE ORGANIZATION



More information on WTO's publications is available at www.wto.org

COOPERATION WITH COUNTRIES AND AGENCIES: WORLDWIDE CONSULTATION ON STATISTICS OF INTERNATIONAL TRADE IN SERVICES

The Manual on Statistics of International Trade in Services (MSITS), published at the end of 2002, provides a base for addressing the information needs of trade negotiators and analysts. It consists of two basic frameworks:

(1) *Regarding trade in services between residents and non-residents*: The IMF Balance of Payments Manual Fifth Edition (BPM5), currently under revision

(2) *Regarding trade in services of foreign affiliates*: The 1993 System of National Accounts (1993 SNA) and the draft OECD Handbook of Economic Globalisation Indicators (HEGI), published in 2005).

Thus MSITS provided a kind of satellite accounts, anchored in the 1993 SNA, the international accounts, trade in services, and services production. But MSITS extended the concept of trade in services beyond the traditional national accounts view and considers mode of international service delivery from the perspective of trade negotiations.

However, the current revisions and updates of the 1993 SNA, BPM5, the International Standard Industry Classification (ISIC), and the Central Product Classification (CPC), as well as developments in related statistical frameworks, make necessary to update MSITS. Thus, the Interagency Task Force on Statistics of International Trade in Services (TFSITS) has agreed to produce an updated MSITS by the end of 2008, and submit it for approval to the UN Statistical Commission (UNSC) in 2009.

For this purpose, a worldwide consultation

Responses	114
Countries	90
Countries responding to questionnaire	83
International organisations	6
Central bank	56
National Statistical office	55
Ministry of Finance	1
Trade Ministry	10
<i>Questionnaires by continent:</i>	
Africa	12
Asia	36
America	15
Europe	40
<i>Questionnaires by language:</i>	
Arabic	7
English	71
French	8
Russian	10
Spanish	9

Table 1: Responses to questionnaire on the updating of MSITS

on several issues has been conducted, including:

- *Impact of the BPM5 and 1993 SNA revisions*. For example, the Extended Balance of Payments Services Classification (EBOPS) will need to be reviewed. However, changes not reflected in the aforementioned revisions should be limited in scope.

- *Measurement of modes of supply of services*. MSITS envisaged that a future revision

(Continued on page 4)



The Manual on Statistics of International Trade in Services can be downloaded from: <http://unstats.un.org/unsd/pubs/>

UN ServiceTrade

The United Nations International Trade in Services Database is available online:
<http://unstats.un.org/unsd/servicetrade/>

Visit the website of the Ministry of Commerce of the People's Republic of China:
english.mofcom.gov.cn/trade/



(Continued from page 3)

would contain a chapter setting out a statistical framework for the measurement of supply of services through the presence of natural persons (Mode 4). Building on the work begun by the UNSD led Technical Sub-group on Movement of Persons - Mode 4, the TFSITS aims at preparing such a chapter.

- *The revision of other linked frameworks.* For instance, Foreign Direct Investment and the Tourism Satellite Account Methodological Recommendations.

- *Re-alignment of links other classifications:* In particular, the revised international product and activity classifications CPC and ISIC.

- *Other topics:* Country experiences in implementing the MSITS, as well as problems in analysing the resulting data, other progress in measuring modes of supply, and any other necessary updating.

A consultation document with questionnaire

was agreed in April 2006 by the members of TFSITS. The document set out the reasons for the update, the time table, and specific questions on a range of identified issues. It was sent to all NSOs by UNSD, to all balance of payments correspondents by IMF, to all national trade delegations by WTO and to a wide range of interested international organizations. The document was made available in 5 languages:- Arabic, English, French, Spanish and Russian, and placed on the UNSD website. Responses were requested by 31 July 2006.

A total of 114 replies were received, excluding duplicates, from 89 countries and 6 international organizations. This included 105 responses to the questionnaire. A statistical summary of which countries and organizations responded is set out in table 1.

COOPERATION WITH COUNTRIES AND AGENCIES: INTERNATIONAL SERVICE TRADE CONFERENCE IN BEIJING, SEPTEMBER 26-27

On invitation of the Ministry of Commerce of the P.R. of China, UNSD addressed the International Service Trade Conference in Beijing, which took place on September 26-27, focusing on :

1. Basic knowledge of statistics of international trade in services (SITS), including its key principles, challenges and obstacles
2. Recent developments and trends.

UNSD thus reaffirmed its efforts to contribute in the development of the Chinese Statistical System for SITS, and to strengthen technical cooperation in this topic with the Ministry of Commerce.

The seminar highlighted the importance of SITC and explored China's current position and future aspirations in this area. The importance of data collection was stressed, and the experts from different international or-

ganizations and Hong Kong introduced and explained the current developments in international trade in services and the statistical challenge in capturing and monitoring these developments.

UNSD clarified the definition of SITS, and explained the current status and future developments (challenges and obstacles) in terms of international data availability, methodology, and data compilation. The work program of UNSD in this area was also introduced.

In a separate discussion with national experts UNSD provided clarifications on the issue of mode of supply and recommended to develop the statistical areas of resident-nonresident trade and FATS separately.

Ministry of Commerce of the People's Republic of China
中华人民共和国商务部

COOPERATION WITH COUNTRIES AND AGENCIES: UNSD STAFF VISITS STATISTICS CANADA



Statistics Canada Statistique Canada

Alain Gaugris, our new UNSD staff member in charge of International Trade in Services, was received at Statistics Canada, in Ottawa, from November 6 to 9, 2006. The purpose of this visit was to familiarize himself in all detail

with the compilation of SITS in a NSO.

Statistics Canada, and especially Mr. Denis Caron, Chief of the Balance of Payments Division, kindly arranged this three-day training course for one of our young professionals in the Trade Statistics Branch.

(Continued on page 5)

The Harmonized System classification is available at the World Customs Organization website:



www.wcoomd.org

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The training programme involved experts from three divisions of Statistics Canada and covered information in the following statistical areas: the ITS Program and the Unified Enterprise Survey (UES) Program; the use of administrative (tax) data within the ITS and the UES; and, the new programme on its redesign. In addition, presentations on USTART, IQMS Metadata and FRIC were also held.

This training programme has provided our staff members valuable inside information on the methodological and practical aspects of Canadian approach to gathering and disseminating International Trade in Services statistics, which will be extremely useful for the long-term work programme of the Statistics Division as well as for their professional development.

YOU HAVE ASKED US:

APPROPRIATE USE OF DIFFERENT CLASSIFICATION SYSTEMS

Q: When do I have to use which system of classification? I do not know if I should take SITC Rev.1 or HS2002, for example. Could you please tell me which classification is normally used?

A: In general, the rule of thumb is: Use older classifications (SITC, Rev.1 and SITC,Rev.2) to obtain long time-series, and use recent classifications (HS-2002 and HS-1996) for more detailed information.

The drawback of using SITC, Rev. 1 is that a lot of modern technology was not available at the time of the introduction of this classification (around 1960), which means for instance that it is difficult to find the classification for PCs, fax machines, color printers or mobile telephones (to name a few).

The newer classifications (like HS-2002) have more clearly defined commodities for those mentioned items, but have been in use only recently. This means that only a few years of data are available under these classifications.

YOU HAVE ASKED US:

IMPLICATIONS OF EU ENLARGEMENT IN 2004

Q: Why are there differences between data reported by individual countries and EU25 reported data in Comtrade?

A: The EU-25 in the UN Comtrade database is an economic grouping created for statistical purposes. It does not have a political background. To create a time series, we have produced data of the economic grouping of EU-25 for the period 1999 until 2004. The Statistical Office of the European Union (Eurostat) itself has provided us with the data for EU-25, which is composed of all countries that belong to the EU as of 2004.

EU-25 is regarded here as one entity, which trades with the rest of the world. Intra-EU trade does not make part of it. This means, for example, that trade of Italy with other EU member states is not part of EU-25 trade. However, the trade of Italy with countries outside of the EU-25 will be taken into account.

We have received data from Eurostat for the years 1999 until 2004 in SITC Revision 3, for 1999, 2000 and 2001 in HS-1996 and for the years 2002 and 2003 in HS-2002. Thus far, we have not converted data of EU-25 to the other classifications, since it does not have the same status as a reporting country. For an overview of the data availability, please see <http://comtrade.un.org/db/mr/daReportersResults.aspx?r=97>

More information about the United Nations Economic and Social Commission for Asia and the Pacific is available at www.escap.org

Visit the website of International Trade Data Users, Inc. at: www.itdu.org

The official website of the Latin American Integration Association is www.aladi.org

UPCOMING EVENTS:

WORKSHOP ON INTERNATIONAL MERCHANDISE TRADE STATISTICS, BANGKOK

The United Nations Statistics Division (UNSD), in cooperation with the Economic and Social Commission of Asia and the Pacific (UN/ESCAP), will organize an *International Workshop on Country Practices in Compilation of International Merchandise Trade Statistics (IMTS)* in Bangkok, Thailand, from December 12 to 15.

This workshop is part of a special effort of UNSD and UN/ESCAP to improve qual-

ity and availability of IMTS data of the South and South-East Asian countries, both to the national users and to the UN Comtrade database.

In the workshop, participants will reviewed country practices in compilation against the current recommendations available in International Merchandise Trade Statistics, Revision 2 (IMTS, Rev.2).

UPCOMING EVENTS:

ITDU CONFERENCE IN WASHINGTON DC

On December 5 and 6, the International Trade Data Users, Inc. (ITDU) is organizing in Washington, D.C. a conference and workshop to discuss the nature and impact of major changes that will be made to the Harmonized System (HS) beginning in January 2007.

The conference will include presentations by experts of the International Trade Commission (ITC), the U.S Census Bureau, the United Nations Statistics Division (UNSD), as well as other public,

private and academic institutions. The Workshop will focus on trade data collection and processing experiences. In it, UNSD will discuss their worldwide Comtrade data system and demonstrate Internet access to it.

ITDC is a not-for-profit organization promoting "accuracy, understanding and utilization of trade and transportation information—as well as interaction between data producers and users."

UPCOMING EVENTS:

9TH RECOMEXT MEETING IN MONTEVIDEO

From October 16 to 20 this year, the Latin American Integration Association (ALADI) is organizing its 9th Technical Meeting of Government Agencies Responsible of Providing Statistical Information on External Trade (IX RECOMEX).

The meeting, which will take place in the association's headquarters in Mon-

tevideo, Uruguay, is a forum that brings together delegations of staff from national statistical offices, customs administrations and, in some cases, central banks from the ALADI region. In addition, representatives from UNSD and other international organizations will participate as observers.

EDITORIAL NOTE

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