International Merchandise Trade Statistics: Compilers Manual

An Overview

United Nations Statistics Division

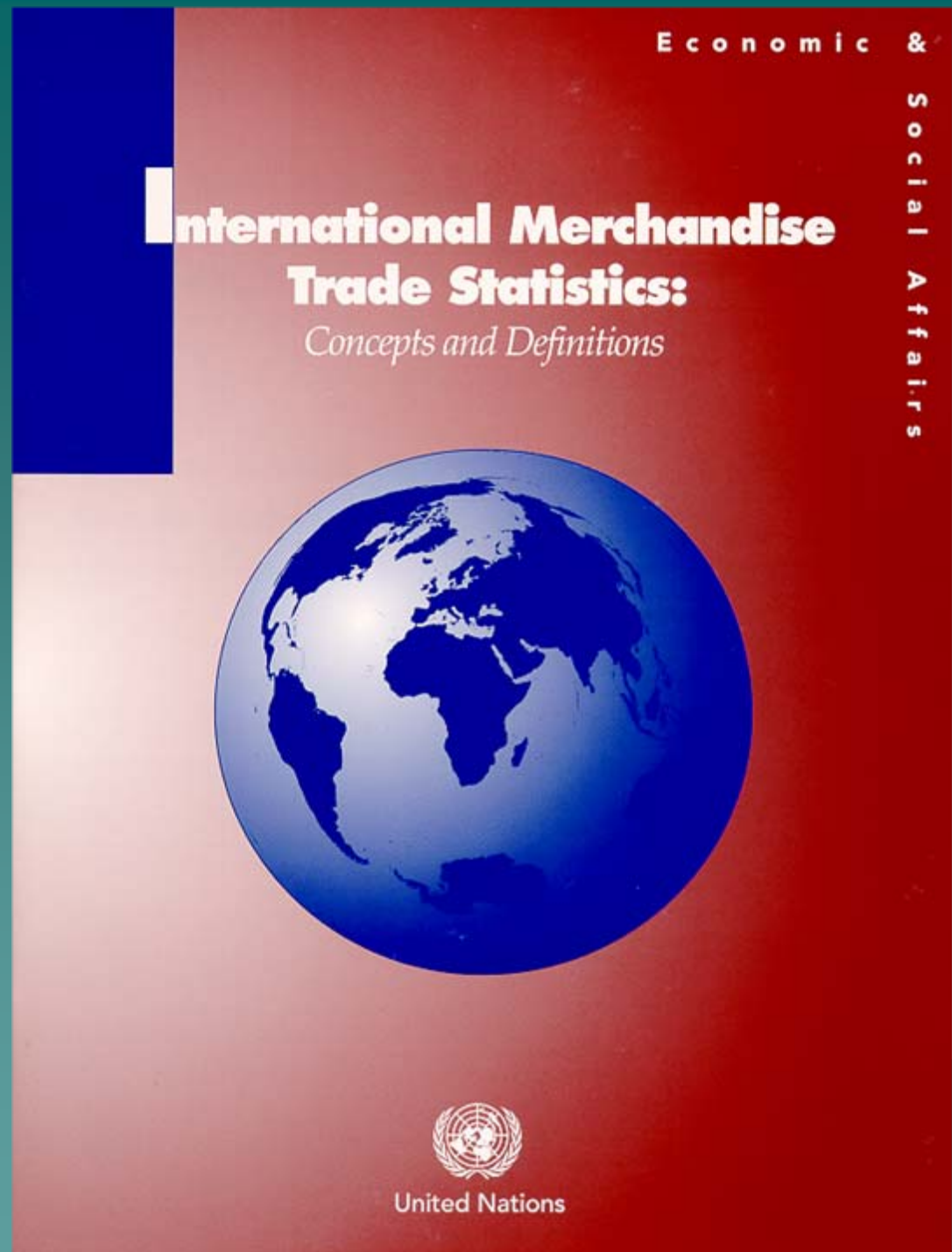(Workshop, Addis Ababa, 8-11 November 2004)

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Original 1970
First revision 1992
Last (second) revision 1998:
- general update
- accordance with SNA 1993
- accordance with BPM5

Economic & Social Affairs

International Merchandise Trade Statistics:
Concepts and Definitions

United Nations

Usage of IMTS

TYPES OF USAGE
General economic policy
Trade policy
Market analysis
Supply balances
Infrastructure planning
Input for other statistics:
      transport statistics
      SNA and BOP
      price-indices

USER CATEGORIES
Government
Parliament
Research Institutes
Education Institutes
Public Media
Private sector Businesses
General Public
International Institutions

Ch 1   Conceptual framework

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        related customs records

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         accounts, and balance of
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B   Adjustments to invoice price to obtain a CIF- or FOB-type value of goods depending on the terms of delivery of exported goods

C   Conversion factors

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E   Main differences in coverage of flows of goods: international merchandise trade statistics and balance of payments statistics

Conceptual framework

- IMTS, Rev.2

- The 1993 SNA, BPM5 and Manual on International Trade in Services

- The WCO conventions: Kyoto Convention on customs procedures, the Harmonized Commodity Description and Coding System convention

- The WTO agreements: Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, Agreement on Rules of Origin

Institutional framework

- Roles of national statistical offices, customs, and other national agencies

    - Legal framework for data compilation

    - Institutional arrangements

    - Cooperation among agencies

- Institutional arrangements in the case of customs unions

Legal framework for data compilation

- Legal status of customs records

- Legal status of other sources

  Compilers should establish a working arrangement with the organizations keeping records relevant to trade statistics (e.g., records of imports and exports of electrical energy, pipeline shipment of natural gas and crude oil maintained by specialized governmental agencies).

Institutional arrangements

- national statistical offices, customs, central banks, ministries of commerce/economy, trade development boards, commodity boards, etc.

- to ensure accurate and timely production and distribution of trade statistics

- these activities include collection of basic records, data editing, database maintenance and dissemination.

Customs declarations

- Customs declarations and related customs records are the most prevalent source of trade.

- Compilers should cooperate with the national customs authorities in promoting the application of international guidelines on customs procedures laid out by the World Customs Organization (WCO).

Other customs procedures

- Customs procedures used by customs and relevant to trade statistics include:

  - Goods on consignment

  - Border trade

  - Barter trade

  - International aid

  - Goods on lease

  - Duty-free shop

- Use of Automated System for Customs Data and Management (ASYCUDA)

Non-customs sources of data

- Foreign shipping manifests

- Currency exchange records and records of monetary authorities

- Parcel post and letter post records

- Aircraft and ship registers

- Reports of commodity boards

- Administrative records associated with taxation

- Enterprise surveys

Reports of commodity boards

- Commodity boards are organizations established to monitor the production and shipment of goods considered economically important for a country.

- These boards often issue reports that show the volume of commodities exported during a particular period - monthly, quarterly or yearly. They may include details such as quantity of products sold, the value of the sales, country of destination of the commodities, and the administrative costs .

- If commodity board reports are consistently available, they may serve as supplementary sources or for cross-checking customs records.

Time of recording

- Crossing the border

- Use of date of lodgement of the customs declaration

- Time of recording in the case of split consignments

- Limitations of time of lodgement and use of other dates

- Time of recording when non-customs sources are used

Goods to be included in trade statistics

- Food and other humanitarian aid

- Goods for processing

- Goods which cross borders as a result of transactions between parent corporations and their direct investment enterprises

Treatment of compensating products

- In the case of <u>inward processing</u>, **if origin changes** the compensating products should be considered domestic goods and be recorded as exports, **if origin does not change** these products remain foreign goods and should be recorded as re-exports.

- In the case of <u>outward processing</u>, **if origin changes**, the compensating products should be considered foreign goods and be recorded as imports; **if origin does not change**, the compensating products remain domestic goods and should be recorded as re-imports.
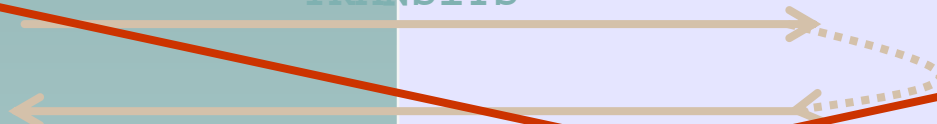
Basic Trade Flows

free circulation area

IMPORTS OF FOREIGN GOODS →
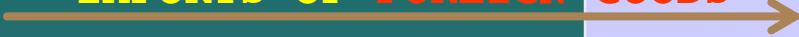
← EXPORTS OF DOMESTIC GOODS
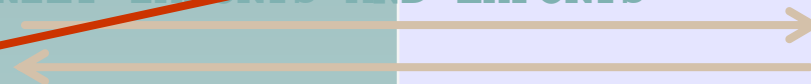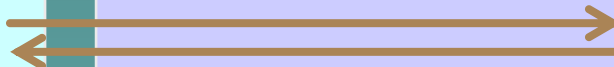
TRANSITS →
←

TEMPORARILY IMPORTS AND EXPORTS →
←

premises for outw. proc.
industrial free zones

EXPORTS AND IMPORTS →
←
FOR OUTWARD PROCESSING

IMPORTS AND EXPORTS →
←
FOR INWARD PROCESSING

premises for inw. proc.
industrial free zones

Goods for temporary storage

- Goods which enter a country for temporary storage and leave the country shortly afterwards, or re-enter a country after they were temporarily dispatched from that country are not to be treated as re-exports or re-imports and should be excluded from trade statistics.

- This applies to any part of the economic territory of a country including, for example, free circulation area and customs warehouses.

General Trade versus Special Trade (Imports)

free circulation area

c u s t o m s

IMPORTS OF FOREIGN GOODS

AND RE-IMPORTS OF DOMESTIC GOODS

GENERAL TRADE

IMPORTS OF FOREIGN GOODS

AND RE-IMPORTS OF DOMESTIC GOODS

SPECIAL TRADE 'strict'

SPECIAL TRADE 'relaxed'

'Concepts and definitions' recommends GENERAL TRADE

customs warehouses
commercial free zones

IMPORTS OF FOREIGN GOODS

AND RE-IMPORTS OF DOMESTIC GOODS

premises for inw. proc.
industrial free zones

Trade Systems

◆ **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

The Harmonized Commodity Description and Coding System

- Obligations of Contracting Parties

- Maintenance of the HS

- The structure of the HS

- The classification scheme

- General Interpretative Rules

- The HS 2002 and beyond

Analytical classifications

The Standard International Trade Classification (SITC, Rev. 3)

Classification by Broad Economic Categories (BEC)

Central Product Classification (CPC)

International Standard Industrial Classification of All Economic Activities (ISIC, Rev. 3).

Statistical value and its components

- Statistical value and customs value

- Transaction value

- Transaction value and the invoice price of goods

- The value of services

Compilation of the statistical value of imported goods

- Use of customs value as the statistical value

- Use of customs value if the terms of delivery are CIF or CIP

- Use of the customs value if the terms of delivery are other than CIF/CIP

- Compilation of the statistical value in the absence of the customs value

Compilation of statistical values of exported goods

If customs values of economically significant shipments of goods are established with a clear deviation from statistical requirements, these customs values be replaced by values derived from non-customs sources.

The WCO standard units of quantity

- The WCO recommended a single standard unit of quantity for each HS 6-digit heading

- If the WCO unit of quantity is other than net weight, the net weight should be collected (where applicable).

Partner country attribution

- Country of origin and its use in import statistics

- Country of last known destination and its use in export statistics

- Country of consignment

Country of Origin

- – 'Rules of origin as established by each country'
- – Relevant for customs duties (i.a. GSP)
- – Principles:
  1. 'wholly obtained' in case only one country involved
  2. 'substantial transformation' in other cases
  3. provide documentary evidence of origin
  4. direct consignment (required by several countries)
  5. cumulative origin (allowed by several countries under certain conditions)
- – Momentary under review (harmonization) by 'Committee on Rules of Origin' (WTO) and 'Technical Committee on Rules of Origin' (WCO)

- process criterion
  (example: change in 4 digit heading of HS)
- percentage criterion
  (example: contribution not less than 35% of appraised value)

Reporting and Dissemination

◆ Recommendations 'Concepts & Definitions':

- – monthly base

- – confidential data to be aggregated at next level

- – reconciliation studies

- – index numbers

- – seasonally adjusted data

- – relation with SNA93 and BPM5

Country definitions and codes for statistical purposes

- Statistical Territories of the World for use in International Merchandise Trade Statistics

- Standard Country or Area Codes for Statistical Use, Revision 4

- National compilation and reporting practices in international merchandise trade statistics

Registration error

Problem areas

- Treatment of low-value transactions

- Failure to file the required documentation

- Errors, and missing or incomplete information

- Intentionally incorrect reporting to avoid tariffs or quotas

Quality control by customs

- Implementation of a system for automated submission of required documentation

- Increased customs enforcement of filing requirements

Outreach and education

Data reconciliation and exchanges

Reconciliation provides an explanation of the discrepancy between the import and export statistics of trading partners by identification of conceptual reasons for them, as well as by explanation of differences in data collection and processing

Reconciliation

a. Setting the objectives for the project and reaching agreement on basic procedures;

b. Establishing a common conceptual framework for reconciliation purposes;

c. Conversion of the official published data to the common framework;

d. Examination of the differences in the data;

e. Making necessary data adjustments to achieve mutually agreed sets of trade figures; and,

f. Formulation of conclusions.

An individual study could be limited to (a), (b) and (c) above

Reasons for differences in data

- Coverage

- Trade System

- Time of recording

- Commodity classification

- Valuation

- Partner country attribution in the case of:

    re-exports/reimports

    "through trade" operations

Thank you
for your attention