



UNITED NATIONS  
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION



UNITED NATIONS  
ECONOMIC COMMISSION  
FOR AFRICA

**International Workshop on Country Practices in Compilation of  
International Merchandise Trade Statistics, 12-16 November 2007, Addis Ababa**

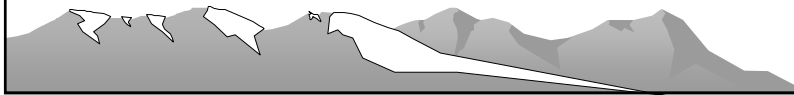
*Country Presentation*  
**Statistics Zambia**

*Item 12: Trade System, re-exports and re-imports, Customs  
Procedure Codes and Free Zone Administration*

INTERNATIONAL WORKSHOP  
ON COUNTRY PRACTICES IN  
COMPILATION OF (IMTS)

**12 - 16<sup>th</sup> NOVEMBER, 2007**  
**ADDIS ABABA.**

*JOSEPH TEMBO*



---

**Trade System**

## **Economic/Statistical Territory**

---

- IMTS rev. 2 recommends that the entry and exit of goods that adds or removes material resources from the economic territory of a country should be recorded.
- Foreign Trade Statistics in fact record goods imported in and exported and from the statistical territory.

## **Economic Territory**

---

- IMTS rev. 2 uses the definition of the economic territory given by SNA 93 (paragraph 14.9):

“the economic territory is the geographic territory administered by a government within which persons, goods and capital circulate freely”.

**It includes:**

  - airspace and territorial waters over which the country enjoys exclusive rights;
  - free zones, bounded warehouses or factories under customs control
  - territorial enclaves in the rest of the world (embassies, consulates, military bases *etc.*)



## Trade Systems

---

- In the General Trade System, the statistical territory coincides with the economic territory.
- In the Special Trade System, the statistical territory coincides with the free circulation area. The only imports that are taken into account are RHU.

Warehousing and processing under contract are excluded.



## Trade Systems

---

- The Int'l Convention on Economic Statistics adopted by the League of Nations in 1928 creates the "relaxed definition" of the special trade system:
- The relaxed definition of Special Trade System includes IP, OP and industrial free zones.
- It excludes bounded warehouses and commercial free zones.

## Comparison of import flows

	GTS	STS
Foreign goods (other than compensating products after OP)		
From the rest of the world or from customs transit		
1. Into the free circulation area, premises for IP or industrial free zones	M	M
2. Into premises for customs warehousing or commercial free zones	M	
From premises for customs warehousing		
3. Into the free circulation area, premises for IP or into IFZ		M
Foreign goods (compensating products after OP)		
From the rest of the world or from customs transit		
4. Into the free circulation area, premises for IP or into IFZ	M	M
5. Into premises for customs warehousing or commercial free zones		
From premises for customs warehousing or commercial free zones		
6. Into the free circulation area, premises for IP or industrial free zones		M
Domestic goods in the same state as previously exported		
From the rest of the world or from customs transit		
7. Into the free circulation area, premises for IP or into IFZ	RM	RM
8. Into premises for customs warehousing or commercial free zones	RM	
From premises for customs warehousing or commercial free zones		
9. Into the free circulation area, premises for IP or IFZ		RM

## Comparison of export flows

	GTS	STS
Domestic goods (other than compensating products after IP)		
From the free circulation area or industrial free zones		
1. To the rest of the world	X	X
2. Into premises for customs warehousing or commercial free zones		X
Originating in the FCA or IFZ but exported from premises for CW or CFZ		
3. To the rest of the world	X	
Domestic goods (compensating products after IP)		
From premises for IP		
4. To the rest of the world	X	X
5. Into premises for customs warehousing or commercial free zones		X
Originating in premises for IP but exported from premises for CW or CFZ		
6. To the rest of the world	X	
Foreign goods in the same state as previously imported		
From the free circulation area, premises for IP or industrial free zones		
7. To the rest of the world	RX	RX
8. Into premises for customs warehousing or commercial free zones		RX
From premises for customs warehousing or commercial free zones		
9. To the rest of the world	RX	

# Trade systems

- Trade systems can be better understood by showing the areas that are considered as

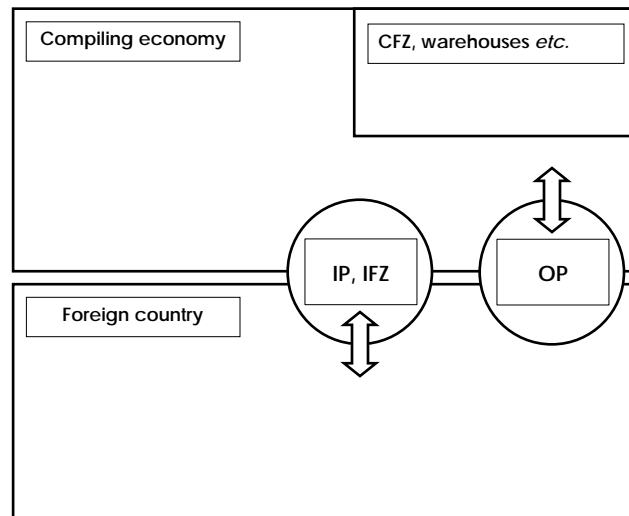
abroad (foreign country)

statistical territory (compiling economy)

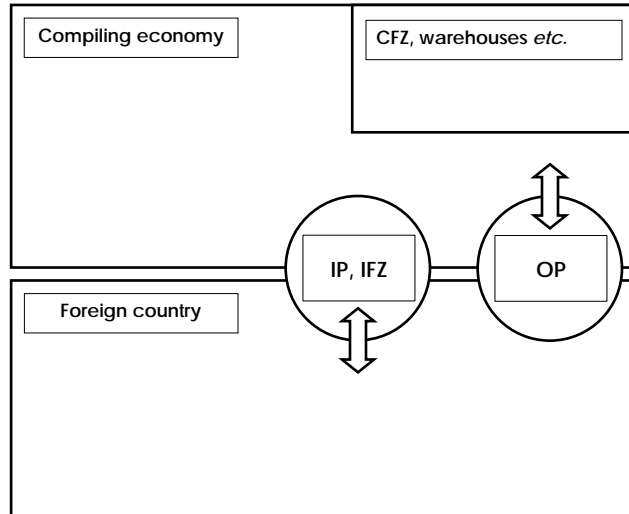
in each case

- Any CPC describing a movement from “abroad” to the “statistical territory” is an import
- Any CPC describing a movement from the “statistical territory” to “abroad” is an exports
- All other CPCs are excluded from trade statistics

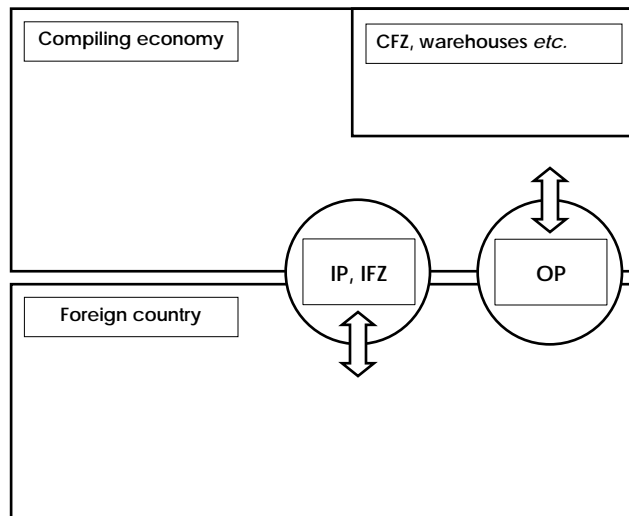
## General Trade System



## Special Trade System, strict definition



## Special Trade, Relaxed Definition



## Trade systems

- For each trade system, one should make a list of:
  - CPCs to be counted as imports,
  - CPCs to be counted as exports and
  - CPCs to be excluded
- Transit is always excluded from trade statistics

## Trade Systems

- **Limitations of the General Trade System:**
  - the difference between International Transit/Transshipment and Warehousing might be irrelevant from an economic point of view
  - data collection problems when the Customs authority do not collect declarations
  - the total amounts of imports and exports are not necessarily relevant (massive IP flows)



## Trade Systems

- **Limitations of the Special Trade System:**

- reduces the coverage of IMTS
- excludes IP and OP Customs procedures, which from an economic point of view are similar to ordinary processing operations
- the implementation of the relaxed definition might be difficult when commercial and geographical free zones are not geographically delineated

## Implementation problems

- lack of information for trade between free zones and the rest of the world, especially when these zones have an extra-territoriality status
- lack of detailed information when warehousing and free zones trade are not recorded on basic Customs declarations
- difficulty to separate commercial free zones and industrial free zones
- generally, diversity of the national legislations defining special zones

## Customs Procedure Codes

- The CPC indicates the status of a commodity with respect to the customs and fiscal regulations.
- It is also used to determine whether an operation is included in the IMTS or not.

## Examples of use of CPCs

- A good is imported permanently for direct home use (4000)
- A good is imported but placed under bond and cleared later for home use (4071)
- a commodity is imported temporary for return in unaltered state (5100)
- Re-import after direct permanent export (6010)
- Re-importation after temporal export for outward processing (6022)
- a commodity is re-exported, after temporal importation (3051)

## CPC and IMTS, examples

CPC	General trade	Special trade, strict	Special trade, relaxed
40.00	import	import	import
71.00	import	excl.	excl.
40.71	excl.	import	import
51.00	import	excl.	import
53.00	excl.	excl.	excl.
10.00	export	export	export
21.00	export	excl.	export

END

