

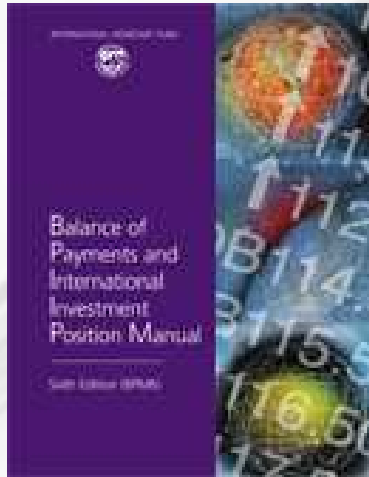
**Regional Seminar on International Trade Statistics:
Implementation of recommendations**

*19: Relationship between IMTS 2010, MSITS 2010 and BPM6 -
particularly the use of ITRS and enterprise surveys*

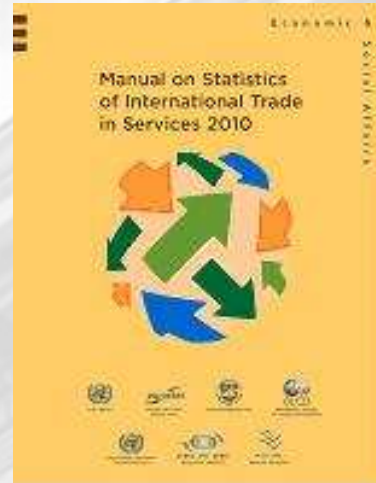
Addis Ababa, Ethiopia
12 – 16 May 2014



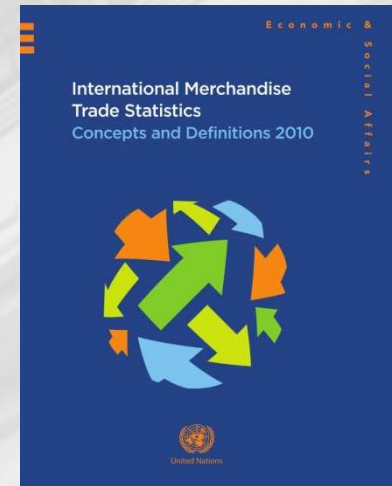
BANCA D'ITALIA
EUROSISTEMA



371 pages



159 pages



326 pages

The trilogy in total: 856 pages !!!

The trilogy “The Lord of Rings” is longer...



The original manuscript is in total 9,250 pages (source Wikipedia)

AGENDA

Three Manuals looking at the same phenomena from different perspectives

IMTS 2010 & BPM6 (FTS vs Goods in Italy) – Preliminary conclusions

MSITS 2010 & BPM6 – General considerations

Sources for international trade: ITRS & Surveys in Italian experience

Conclusions (part 2)



Looking at the same phenomena from different perspectives

IMTS 2010

MSITS 2010

BPM6 (& 2008 SNA)

INTERNATIONAL TRADE

Movements of goods and
consumption of services

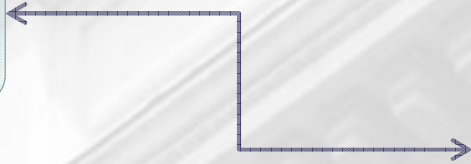
Transactions (and position)

Gats approach



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BPM6
2008 SNA



IMTS 2010
MSITS 2010

The Manuals were written in mutual accord

FRAMEWORK (from IMTS 2010)

0.16. *IMTS 2010, BPM6, 2008 SNA and MSITS 2010.* IMTS 2010 was drafted after the preparation of the *System of National Accounts, 2008 (2008 SNA)*¹¹ and the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)*,¹² and in parallel with the revised *Manual on Statistics of International Trade in Services 2010 (MSITS 2010)*. IMTS 2010 contains recommendations intended to make data compiled on its basis as consistent with the requirements of those systems as possible. However, giving priority to the need for statistics that reflect physical cross-border movements of goods, IMTS 2010 maintains the main elements of the conceptual framework established in the previous editions of the recommendations, which differ in several important respects from the conceptual framework adopted in the 2008 SNA and BPM6. Therefore, data compiled following the IMTS 2010 recommendations have in general to be adjusted prior to use in statistics based on balance of payments methodology (see annex F for details).

BPM6
2008 SNA

IMTS 2010
MSITS 2010

Common definitions and correspondent guidelines are adopted (when it is possible)

- Concept of residence, change of ownership, value of transaction (market price)
- Adoption of general trade system (instead of the special one)

The necessary differences are outlined and reconciled

CIF / FOB, time of recording (accrual basis vs movements of goods), monetary gold



A different scope

IMTS (or FTS) are the main data sources for the goods and services account

IMTS record all goods which add or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory

10.14 International merchandise trade statistics (IMTS) are usually the main data source for general merchandise in the goods and services account. The international standards for merchandise trade data are set out in United Nations *IMTS: Concepts and Definitions*. These standards are closely linked to those in this *Manual*. In practice, the data used as sources for general merchandise include customs data, international transactions reporting systems, other administrative data (including value-added tax systems), surveys of traders, or combinations. Adjustments to source data may be needed to account for coverage, timing, valuation, and classification that do not meet balance of payments guidelines.

BPM6

IMTS Sources: custom data, ITRS, administrative data, surveys

Reconciliation between Merchandise and Goods

Merchandise Trade Data

BOP: Total Goods

General Merchandise

Other Goods

Merchanting

Monetary Gold

Table 10.2. Reconciliation between Merchandise Source Data and Total Goods on a Balance of Payments Basis

	Exports	Imports
Merchandise trade statistics as provided in source data		
Adjustments, as relevant¹		
For example (with paragraph reference):		
+ Goods procured in ports by carriers (10.17(d))		
+ Fish catch, minerals from the seabed and salvage sold from resident-operated vessels (10.17(e))		
+ Goods changing ownership entering/ leaving territory illegally (10.17(j) (j))		
+/- Goods lost or destroyed in transit (10.17(m))		
+ Goods acquired from other economies for processing abroad (10.65(b))	n.a.	n.a.
+ Goods sold abroad after processing in other economies (10.66(b))		
+/- Goods changing ownership in customs warehouses or other zones (10.25)		
- Migrants' personal effects (10.22(b))		
- Goods imported for construction projects by nonresident enterprises (10.22(d))		
- Goods for repair or storage without change of ownership (10.22(e))		
- Goods sent abroad or returned after processing without change of ownership (10.22(f))		
- Returned goods (10.22(i))		
+/- High-value capital goods, if delivery differs from change of ownership (10.28)		
- CIFFOB adjustment (10.34)	n.a.	n.a.
+ Net exports of goods under merchanting (10.44(c))		
+ Nonmonetary gold (10.50)		
= Total goods on a balance of payments basis		

¹This list is not comprehensive, but indicative of commonly made adjustments. Some of the adjustments listed may be unnecessary because international merchandise trade statistics data for the economy may treat the item in the same way. For example, an adjustment for goods entering or leaving customs warehouses is not necessary if data are sourced from international merchandise trade on a general trade basis.

2. Other goods

a. Goods under merchanting

10.41 Merchanting is defined as the purchase of goods by a resident (of the compiling economy) from a nonresident combined with the subsequent resale of the same goods to another nonresident without the goods being present in the compiling economy. Merchanting occurs for transactions involving goods where physical possession of the goods by the owner is unnecessary for the process to occur. (If guidance is needed about the meaning of same goods, the criteria in paragraphs 10.37–10.38 can be used.)

In the Quality Report for Eurostat is reported the adjustments FTS / BOP

Exports/Credits/Flow 2								
	World/A1		Intra EU27/V1		Extra EU27/V2		Extra Euro Area/J5/J6	
	A1=V1+V2		V1 = BE+DK+DE+GR+ES+FR+IE+IT+LU+ NL+AT+PT+FI+ SE+GB+CY+ CZ+EE+ HU+LT+LV+MT+PL+SK+SI + BG+RO+4A(European Union Institutions excl. ECB)+4F(ECB)		V2=(Extra EU27)= A1-V1		J5=A1-J5 J6=A1-J6 J6=BE+LU+DE+GR+ES+FR+IE+IT+NL+A T+PT+FI+4F+SI+CY+MT+SK	
	2010A	2011A	2010A	2011A	2010A	2011A	2010A/J5	2011A/J6
1. "Goods" as published by Eurostat FTS in million Euro ⁽¹⁾	337.407	375.904	193.450	210.666	143.957	165.238	190.028	214.956
2. FTS figure used by BoP compilers in million Euro of which (=including):	337.346	375.904	193.155	209.952	144.191	165.952	190.261	215.643
2.1 Repairs of goods (gross value)								
2.2 Goods for processing (gross value)	13.544	15.901	7.945	9.490	5.599	6.411	7.990	9.165
D0 - Differences between 1. and 2.	61	0	295	714	-234	-714	-234	-687
D1 - Differences between point 1. and point 2. explained by: (NB: it should be D0=D1)	61	0	295	714	-234	-714	-234	-687
2.1.1 Use of settlements information								
2.1.2 Revision vintages	61		295		-234		-234	
2.1.3 Others (please specify)	0	0	0	714	0	-714	0	-687
Different country allocation of certain territories				714		-714		-687
....								
3. Adjustements made to FTS data for BoP purposes in Million Euro	571	663	393	463	178	200	214	253
3.1 Conceptual adjustments (please check "the List" of special transactions in goods, Annex 3 of BP/07/37, in case you have any doubts about where to classify the adjustment) ⁽³⁾								
3.1.1 Goods for processing not returning to the reporting MSs (Tr 1.1 in the list)	400	399	288	325	112	74	124	81
3.1.2 Repairs of goods (net value) (Tr 2 in the List) (+)	171	264	105	138	66	126	90	172

The Form is referred to BPM5

In the Quality Report for Eurostat is reported the adjustments FTS / BOP

Imports/Debits/Flow 3								
	World/A1		Intra EU27/V1		Extra EU27/V2		Extra Euro Area/J5/J6	
	A1=V1+V2		V1 = BE+DK+DE+GR+ES+FR+IE+IT+LU+ NL+AT+PT+FI+ SE+GB+CY+ CZ+EE+ HU+LT+LV+MT+PL+SK+SI + BG+RO+4A(European Union Institutions excl. ECB)+4F(ECB)		V2=(Extra EU27)= A1-V1		J5=A1-I5 J6=A1-I6 I6=BE+LU+DE+GR+ES+FR+IE+IT+NL+A T+PT+FI+4F+SI+CY+MT+SK	
	2010A	2011A	2010A	2011A	2010A	2011A	2010A/J5	2011A/J6
1. "Goods" as published by Eurostat FTS in million Euro ⁽¹⁾	367.390	401.428	201.364	215.728	166.026	185.700	203.680	226.356
2. FTS figure used by BoP compilers in million Euro	367.389	401.428	201.366	214.727	166.023	186.701	203.677	227.324
of which (=including):								
2.1 Repairs of goods (gross value)								
2.2 Goods for processing (gross value)	14.071	17.193	6.891	9.030	7.180	8.163	9.718	11.480
D0 - Differences between 1. and 2.	1	0	-2	1.001	3	-1.001	3	-968
D1 - Differences between point 1. and point 2. explained by: (NB: it should be D0=D1)	1	0	-2	1.001	3	-1.001	3	-968
2.1.1 Use of settlements information								
2.1.2 Revision vintages	1		-2		3		3	-968
2.1.3 Others (please specify)	0	0	0	1.001	0	-1.001	0	0
Different country allocation of certain territories				1.001		-1.001		
....								
3. Adjustments made to FTS data for BoP purposes in Million Euro	-8.555	-7.481	-1.663	-1.508	-6.892	-5.973	-7.522	-6.474
3.1 Conceptual adjustments (please check "the List" of special transactions in goods, Annex 3 of BP/07/37, in case you have any doubts about where to classify the adjustment) ⁽²⁾								
3.1.0 CIF/FOB Adjustment (-)	-10.717	-10.357	-2.835	-3.019	-7.882	-7.338	-8.712	-8.110
3.1.1 Goods for processing not returning to the reporting MSs (Tr 1.1 in the list)	400	399	288	325	112	74	124	81
3.1.2 Repairs of goods (net value) (Tr 2 in the List) (+)	143	128	100	77	43	51	53	62
3.1.2.1 - Repairs of goods (gross value), if included in figures obtained from FTS (-)								
3.1.3 Goods procured in ports by carriers (Tr 3 in the List) (+)	1.619	2.349	784	1.109	835	1.240	1.013	1.493

Reconciliation (main items) between Merchandise and Goods Import 2011 - Italy

FTS

Custom declaration



CIF-> FOB (Fobisation)

-10.1

Transport Survey



Carries (goods in port)

+2.3

Transport Survey



S Goods for processing

+0.4

Direct reporting
(enterprise survey)



S Repairs

+0.1

Direct reporting



General Merchandise

Value in billions of Euros

IMT2010-BPM6: Some preliminary conclusions

A different scope

Reconciliation process FTS->Goods

Different sources (ITRS-survey)

Different institutions (NCB-NSO)

Role of international institutions (e.g.
Eurostat - ECB)

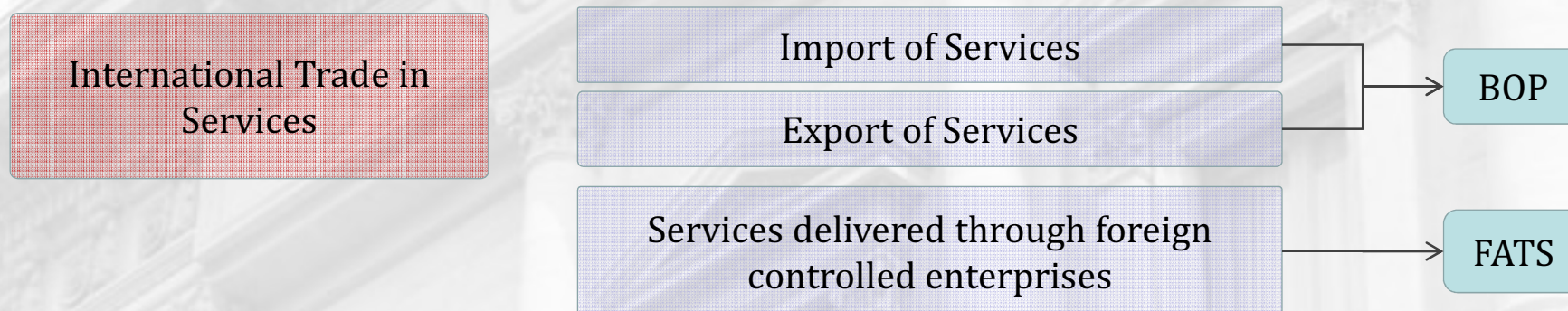
Italy “fobisation” is about 2.5% of FTS





1.4.

The term international trade in services is construed broadly in MSITS 2010. It covers trade in services in the conventional sense of transactions (exports and imports) between residents and non-residents. In addition, it covers services delivered through locally established, but foreign controlled enterprises. (MSITS 2010)



MISITS 2010

BPM6

MSITS 2010 consider the four modes of supply services proposed by Gats

Mode 1

Import/Export of other services

Mode 2

Travel (& repairs)

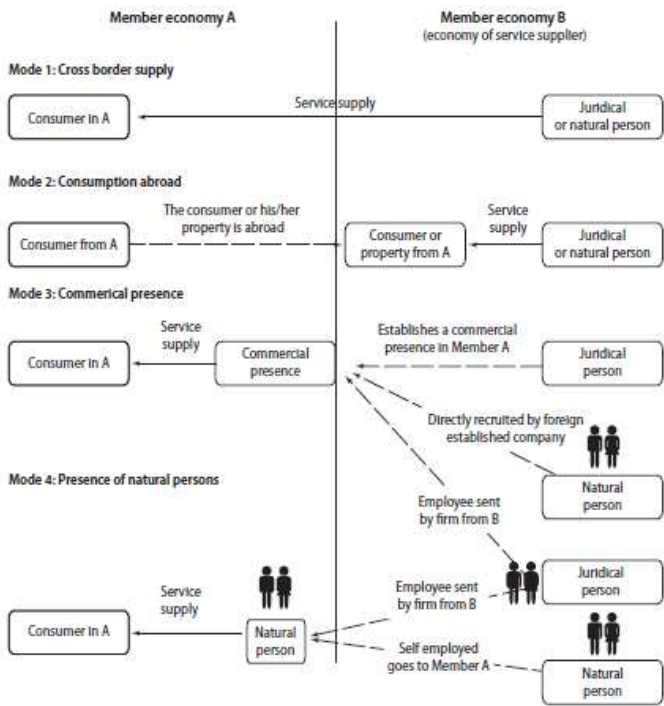
Mode 3

FDI (& constructions)

Mode 4

Import/Export of other services

Figure II.1
A synthetic view of modes of supply



SOURCES FOR INTERNATIONAL TRADE

Custom declaration

Administrative data (tax)

ITRS - International Transactions Reporting Systems

Enterprise surveys

Other (Parcel/letter post records; Aircraft and ships registers)



The Bop data collection system in Italy until 2007

Census basis: ITRS

Bank reports

Cross-border settlements carried out by banks, on their own account or on behalf of customers + Data on their own external position

Non-bank reports

Cross-border transactions carried out by firms/households outside the resident banking system (through accounts held abroad, clearing, etc.)

Sample surveys

TRAVEL

Since 1996

TRANSPORT

Since 1998

PORTFOLIO & FDI (STOCKS)

Since 1998

Other sources

- ISTAT data on merchandise trade and balance-sheet data on insurance enterprises.
- Ministry of Economy and Finance data on public transfers.
- BoI's reporting on own account and on behalf of Public Administration.

The Bop data collection system in Italy from 2008 (The need of a change)

To react to prospects of decreased usability/availability of settlement data (ITRS)

- Increasing disconnection between settlements and BOP transactions (treasury centers, cash pooling activities, etc.).
- Rising exemption threshold and prospects of dismantling of bank reporting of cross-border settlements for BOP purposes.

To improve quality of statistics

- Asking information to subjects **directly** involved in international transactions.
- More precise identification of phenomena and their characteristics.

To reduce the reporting burden, rationalize the system and increase its efficiency

The Bop data collection system in Italy from 2008 (The Matrix of Sources)

	Current and Capital Accounts					
	Goods	Services: Travel and Passenger Transport	Services: Merchandise Transport	Services: Other services	Compensation of employees, current and capital transfers	Investment income
Resident sector						
General government	FTS + Transport Survey	Travel Survey	Transport Survey	CB	CB	IBR + CB + EST
Monetary authorities	FTS + Transport Survey	Travel Survey	Transport Survey	CB	CB	CB
Banks	FTS + Transport Survey	Travel Survey	Transport Survey	IBR	IBR	EST + IBR
Insurance and Non-financial corporation	FTS + Transport Survey	Travel Survey	Transport Survey	DR	DR	EST + IBR
Other financial intermediaries	FTS + Transport Survey	Travel Survey	Transport Survey	OFIR	OFIR	EST + IBR
Households and NPISHs	FTS + Transport Survey	Travel Survey	AS + EST	AS + EST	AS + EST	AS + EST

AS = Administrative sources
 CB = Central bank internal sources
 DR = Direct reporting
 EST = Estimates / Modelling
 FTS = Foreign Trade Statistics (NSI)
 IBR = Integrated Bank Reports
 OFIR = OFIs Reports

Normal Already defined in the old system
Bold Implemented in the new system

Data Sources' Contributions for "Other Services"

For some sub-items Direct Reporting share is around 100% of the total

Communications services

Computer & Information services

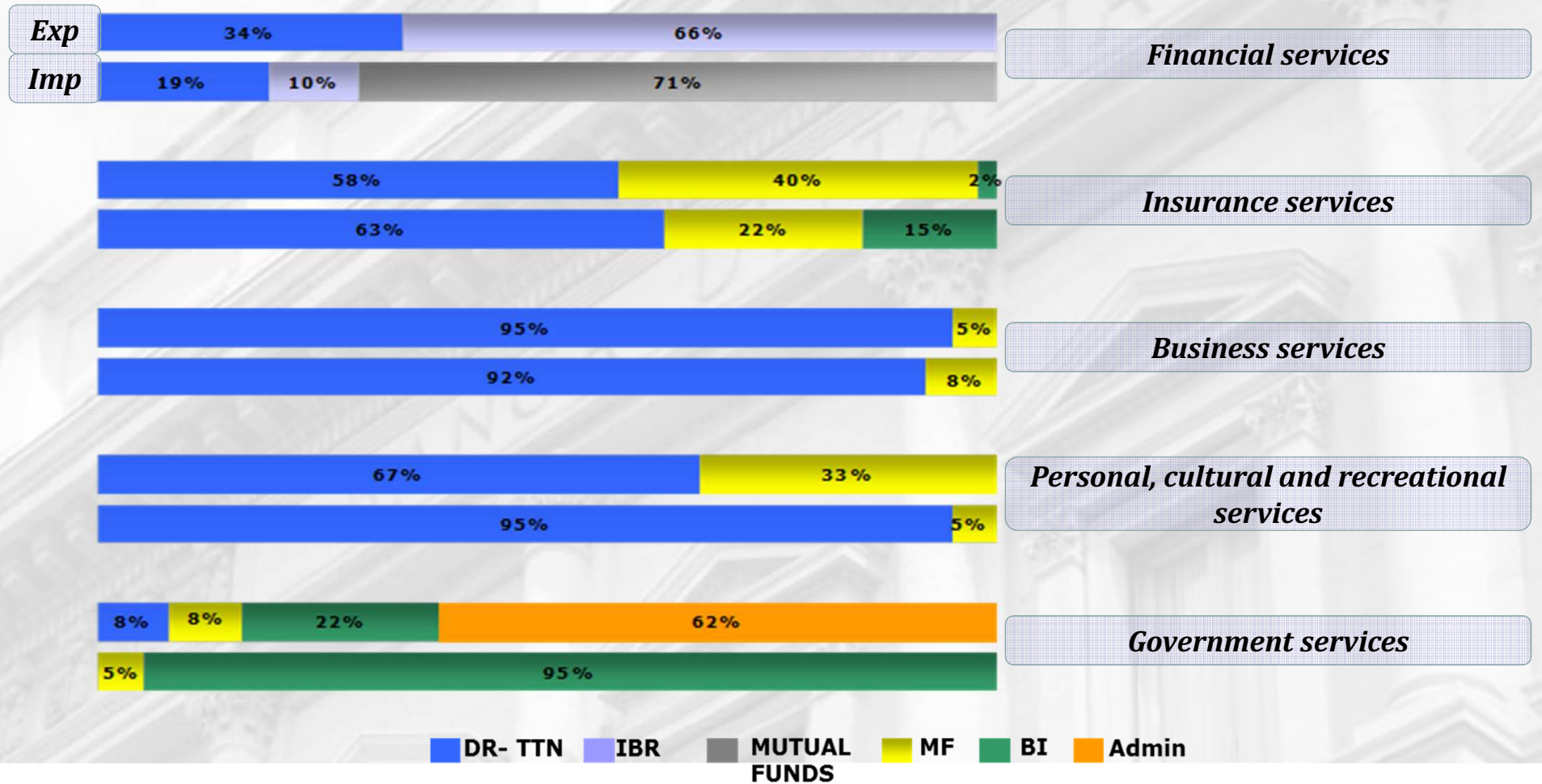
Royalties & licenses

Constructions services

In other cases there is a "mix" of contributors



Data Sources' Contributions for "Other Services"

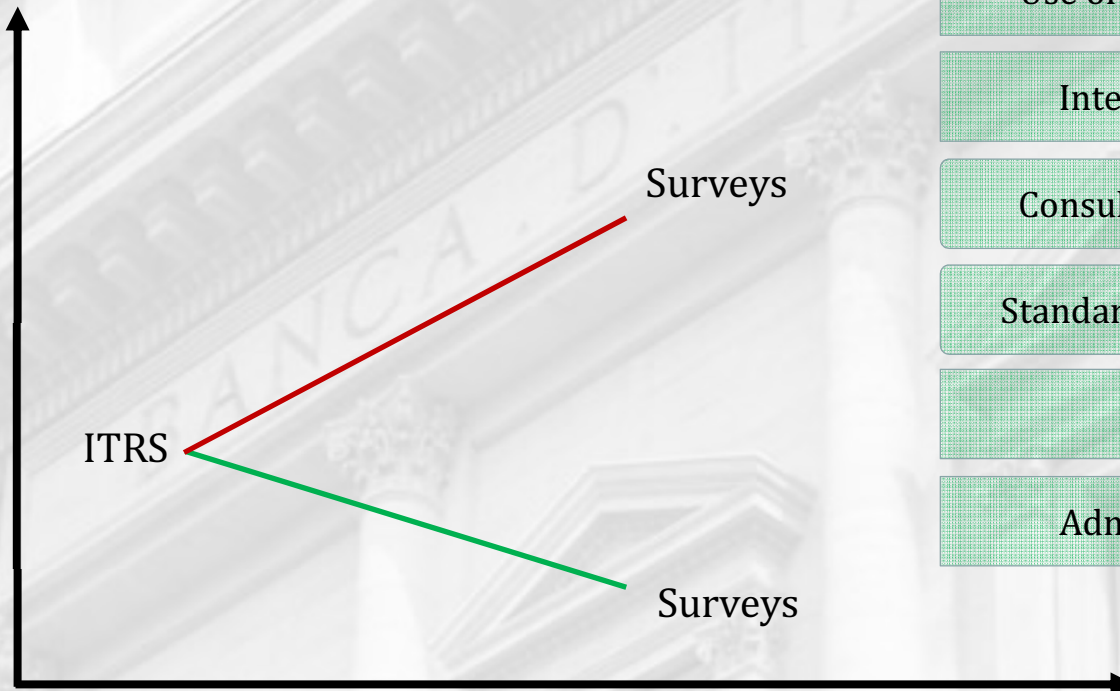


ITRS & Surveys

Moving from ITRS to Surveys reporting burden of respondents could increase

IMTS CG has some suggestions to reduce it:

Reporting Burden; Costs



Use of the Business Register

Integrate more surveys

Consultation of respondents

Standardization of the surveys

Surveys forms

Administrative sources

ITRS & Surveys

SUGGESTIONS

Use of the Business Register

Integrate more surveys

Consultation of respondents

Standardization of the surveys

Surveys forms

Administrative sources

ACTIONS IN DR

Creation of a BR for Bop purpose

BR is necessary to define the frame population of a survey.
The use of attributes and variables can reduce the number of respondents
(more tomorrow...)



ITRS & Surveys

SUGGESTIONS

Use of the Business Register

Integrate more surveys

Consultation of respondents

Standardization of the surveys

Surveys forms

Administrative sources

ACTIONS IN DR

DR is a survey multipurpose

Different questionnaires to investigate
Bop/IIP phenomena:

CAF - Annual Financial Consistency

EMF - Monthly Financial Events

OMF - Monthly Financial Operations

TTN - Quarterly Non Financial Transactions



ITRS & Surveys

SUGGESTIONS

Use of the Business Register

Integrate more surveys

Consultation of respondents

Standardization of the surveys

Surveys forms

Administrative sources

ACTIONS IN DR

Roadshow to introduce the direct reporting

Dedicated meeting to big players

Consultations to introduce relevant changes in the forms (BPM6)



ITRS & Surveys

SUGGESTIONS

Use of the Business Register

Integrate more surveys

Consultation of respondents

Standardization of the surveys

Surveys forms

Administrative sources

ACTIONS IN DR

Free software for respondents downloadable by BI website (one software for all the questionnaires)

Anagrafic form fixed for all the questionnaires

Green number for respondents (+ help desk team)



ITRS & Surveys

SUGGESTIONS

Use of the Business Register

Integrate more surveys

Consultation of respondents

Standardization of the surveys

Surveys forms

Administrative sources

ACTIONS IN DR

Use of fiscal data:

- to integrate direct reporting
- for the households



ITRS & Surveys : Conclusions

In the statistical community, the users needs increased rapidly in last decades

Bank sector was no longer the unique channel to realize international transactions

ITRS are (becoming) obsolete to collect complete information
The need of surveys arise

If properly organized surveys can reduce the costs and the reporting burden



ITRS & Surveys : Conclusions

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particularly the use of ITRS and enterprise surveys*

Andrea Carboni – Bank of Italy
External Statistics Division
Statistic Collection Directorate
andrea.carboni@bancaditalia.it



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