

Note on Estonia's national practices in IMTS and the plans for the implementation of IMTS 2010 in Estonia

Outline:

1. General overview of the Estonia's foreign trade data compilation
2. The implementation of the IMTS 2010 by new recommendations

1. General overview.

Foreign trade statistics concern the movement of goods between Estonia and other countries. The concept of exports and imports are used to indicate commodity flows. The foreign trade statistical data compiled by Statistics Estonia include only the movement of physical goods. Data on the movement of services and capital are compiled by the Bank of Estonia. National foreign trade statistics exclude transit. Data on trade in goods are presented at current prices.

Data on foreign trade statistics of Estonia are available since 1993. Until the accession of Estonia to the European Union (EU) in 2004, all foreign trade statistics were based on customs declarations and data were published by special trade system (1995–2003) and general trade system (1993–2003). With the accession of Estonia to the EU, the compiling system of the whole foreign trade statistics was changed as the EU is a customs union and there are no customs frontiers between Member States.

Starting from 2004 foreign trade statistics are based on two data collection systems: Intrastat (data collection system on the trade in goods between the Member States of the EU with statistical reports of enterprises) and Extrastat (data collection on the trade in goods between the third countries with customs declarations).

The Intrastat report should be submitted by those enterprises that are registered in the VAT bearers register and whose foreign trade turnover has exceeded the statistical threshold. The statistical threshold is set up by Statistics Estonia on the basis of the foreign trade data for previous year. In case of calculation of the thresholds the turnovers of dispatches and arrivals are observed separately. The report should be submitted only about this flow for which the turnover has exceeded the statistical threshold. In 2011 the value of the statistical threshold for dispatches of goods is **90 000 euros** and for arrivals of goods – **130 000 euros**.

Missing data on trade below threshold and non-response or late response are replaced with estimations and estimated figures are revised upon receiving additional information. The estimations are calculated on 2-digit commodity code and partner country level.

Extrastat data are based on customs declarations and contain practically the whole information on the trade with non-EU countries (so called third countries). Extrastat data excludes the goods declared orally to customs authorities if their value does not exceed the statistical threshold of EUR 1 000 in value or 1 000 kg in net mass. These data are not estimated.

Since 2004 the whole foreign trade data are disseminated by **special trade system**, although in case of Intrastat, statistics compiled by special trade system do not coincide with the data compiled on the basis of special trade system of customs declarations. Large proportion of goods, which formerly moved under the supervision of customs authorities in customs warehouses and which were not taken into account in statistics according to the rules of the special trade system, are now in free circulation and included into statistics as customs warehouses were replaced by intermediate depots in the case of the internal EU trade.

In case of Intrastat the definition of trade system is complicated (no customs procedure is required in Intrastat). In case of Extrastat (customs declarations) we can exactly define the trade system according to the custom procedure (special and general trade).

Foreign trade data transmitted to Eurostat by special trade system. To other international organisations (OECD, UN) trade data are also transmitted by general trade system.

Foreign trade data are collected by the latest version of Combined Nomenclature, but disseminated by CN, SITC and BEC. The foreign trade data of the current year are revised monthly, data of previous years are revised twice a year (released in March and October).

We apply the country of consignment in imports and country of last known destination in exports. In imports, national figures are published by country of consignment. We collect also the „country of origin”, but information about country of origin is sometimes missing, especially for intra-EU trade. „Country of origin” data is also available by special request. We send import data by „country of origin” also to the International organisations (UN, OECD).

Trade data are published in euros since the 1st of January 2011. Trade value can be reported in all the currencies accepted by ECB. We apply FOB-type value for exports and CIF-type value for imports.

We are going to implement IMTS 2010 recommendations as much as possible (obviously in 2012). But in some cases, if the requirements of European Union and IMTS are different, then we must follow EU methodology because it is legally binding for us. For example, EU suggests dissemination by special trade system and UN by general trade system; EU requires dissemination of imports data by country of consignment, UN by country of origin; transport classification is different etc.

2. The implementation of the IMTS 2010 by new recommendations

General guidelines.

- Trade below thresholds: it is estimated in Estonia and included into the trade statistics.

Specific guidelines.

- Goods for processing (where no change of ownership takes place) – are included at their full value in trade statistics of Estonia
- Goods which cross borders as a result of transactions between related parties: should be included, but not separately identified (coded) in Estonia
- Goods simply being transported through a country and goods temporarily admitted or dispatched – are excluded in Estonia's trade statistics

Trade System.

- Re-imports and re-exports – included in Estonian foreign trade data
- Customs Procedure codes – are included in the Extrastat dataset
- Trade system – special trade system is used in Estonia. Compiling is done also by general trade system in Extrastat.

Commodity classifications.

- CN is used for trade data collection, compilation and dissemination in Estonia. SITC is used for dissemination and for data analysis.

Valuation

- Statistical value of exported and imported goods: FOB valuation for exports (border of the exporting country) and CIF valuation for imports (border of the importing country; cost, insurance and freight)
_FOB-type value of imported goods as supplementary information – in the future plans for Estonia's trade statistics.

Quantity measurement

- Net weight is collected on all trade transactions, units of quantity if it is obliged by the Combined Nomenclature.

Partner Country

- Country of consignment – for imports – both country of consignment and country of origin are recorded. For exports – country of last known destination is recorded.
- Country of consignment – for exports is available only from Extrastat data (SAD). These data are also sent to Eurostat (only for Extrastat dataset), but not published in national statistics.
- Calculation of trade balance – exports by country of the last known destination and for imports – country of consignment is used until now.

Mode of transport

- Mode of transport is compiled at the most detailed commodity level, but in case of Intrastat only from the big companies (with threshold of 4.5 million euros for exports and 4 million euros for imports; coverage ~70%). Trade transport data public dissemination is planned in the future.
- Recording of mode of transport: mode of transport is transport used when goods enter or leave the economic territory.
- Goods are classified by the mode of transport on the 1-digit level:

1. Sea transport

2. Rail transport

3. Road transport

4. Air transport

5. Postal consignment

7. Fixed transport installations

8. Inland waterway transport

9. Own propulsion

Data compilation strategies.

- Customs records are used for the data collection with the third countries.
- Close cooperation with customs experts has been done in Estonia in order to correctly allocate customs procedure codes and associated trade transactions according to the general or the special trade system.
- Integrated approach has been used to data collection in Estonia – business registers and Estonian Tax and Customs Board Data are used as well.

Data quality and metadata.

- Quality report – standard has been worked out for internal use per month. Annual quality reports are prepared for Eurostat.
- Metadata development has been an integral part of the dissemination of International merchandise trade statistics.

Dissemination.

- Passive confidentiality has been used.
- Recently no PSI has ever asked for confidentiality of their trade data
- Data dissemination timetable is announced in advance.
- All users are treated equally and the data are equally available for the public with no exception.

Supplementary topics.

- Price indices for exports and imports are available on the monthly basis, unit value indices – not computed.
- Linking business and trade statistics – trade data have been tried to link with the economic statistics. Trade data are also tried to integrate with the business register data for future data analysis.