Measuring Global Trade

Purpose and Context of the
Regional Seminar on International Trade Statistics,
24-26 Oct 2011, Beijing, China

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1. Trade patterns and global value chains in East Asia
2. New Recommendations IMTS / SITS
3. Globalization issues
4. Trade Statistics and Enterprise Survey frames
5. Towards an integrated approach of trade in goods and services
6. Trade and other economic statistics

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Why these topics?

1. Trade patterns and global value chains in East Asia
2. Globalization issues

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1. New Recommendations IMTS / SITS
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Keep Trade Statistics Relevant !

1. Who needs trade statistics ?
2. Which trade statistics do they need ?

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1. New Recommendations IMTS / SITS
2. Implementation processes
3. National needs

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Global Forum on Trade Statistics

Measuring Global Trade - Do we have the right numbers?

organized jointly by UNSD and Eurostat in collaboration with WTO and UNCTAD

2-4 February 2011, Geneva, Switzerland

1. Measuring Global Trade
2. New Recommendations IMTS / SITS
3. Data Sources
4. Global Production and Outsourcing
5. Linking Trade and Business Statistics
6. Trade in Value-Added

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1. **Measuring Global Trade**
   - Messages from different angles
2. **Global Production and Outsourcing**
   - International outsourcing
   - Inward and Outward FATS
3. **New Recommendations IMTS / SITS**
   - Example of Statistics Norway
4. Data Sources
5. **Linking Trade and Business Statistics**
   - Examples of ISTAT, Statistics Netherlands and Statistics New Zealand
6. **Trade in Value-Added**

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Messages from Policy Makers

- Make everyone aware of the fragmentation of the production process and move the measurement of it forward
- The changing patterns of trade and production have important implications in the broader context of development strategies.
- Current statistical data are deficient for international trade in services from the point of view of both analysis of such trade and use by negotiators.

Messages from Statisticians

- Trade in Goods (high quality) and Trade in Services (low quality) → better balance necessary
- We need a quality profile for International Trade Statistics
- Fully integrated data warehouse for international trade is recommended as in Vision statement. Sharing good practices is important
- Better use of trade statistics by linking it to other economic statistics, but also energy and environment statistics

Messages from Researchers

- More Trade Statistics on Services
- Better distinction of traded goods into intermediate goods and final goods
- More information on intra-firm trade
- Better linking of Trade and Enterprise statistics

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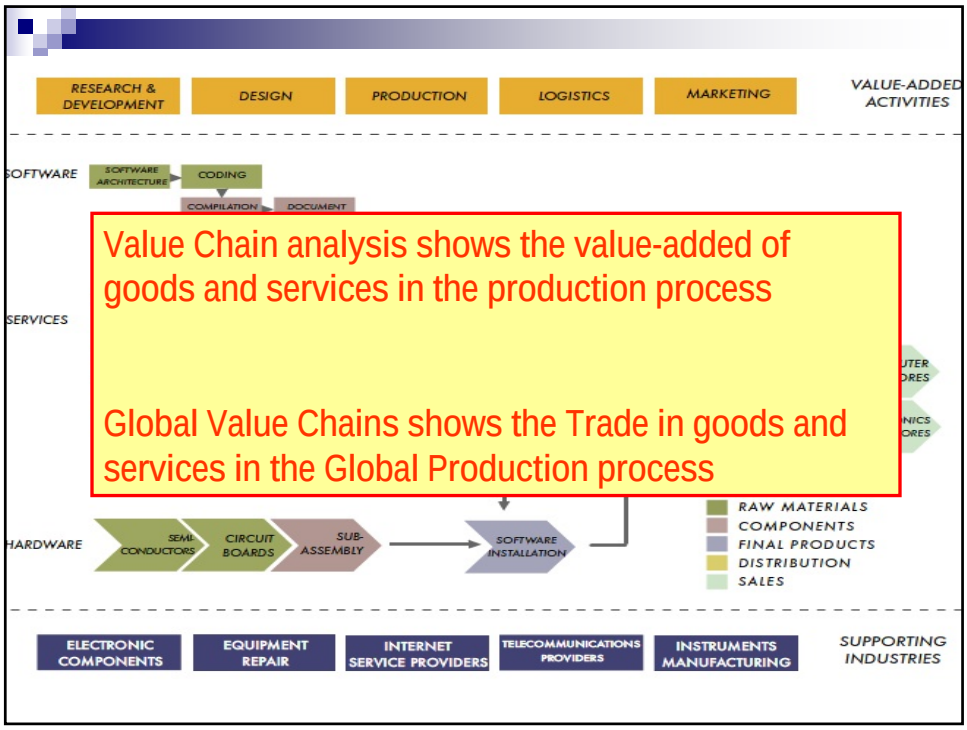


Global Production → Statistics Denmark
International Sourcing study

Core business function:

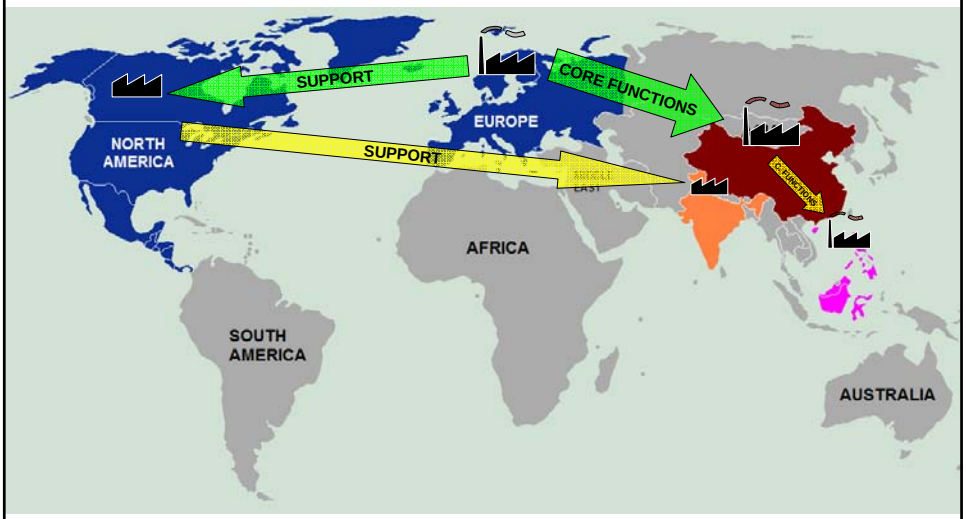
Production of final goods or services intended for the market/for third parties carried out by the enterprise and yielding income.

Support business function:

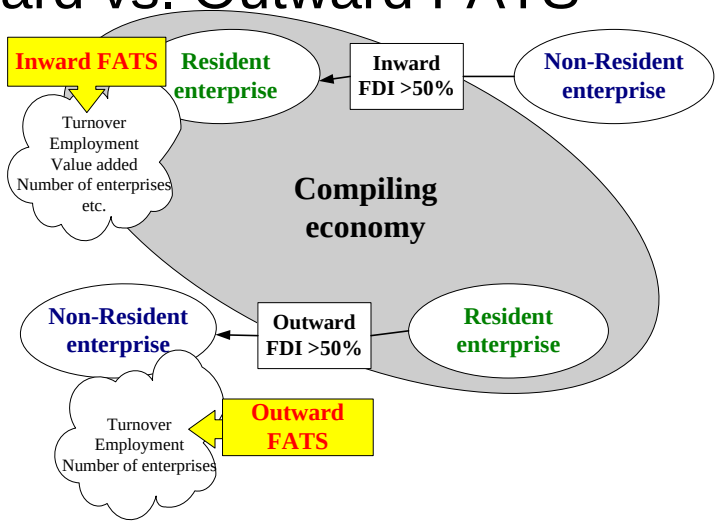
Support business functions (ancillary activities) are carried out in order to permit or facilitate production of goods or services intended for the market/for third parties by the enterprise.

Distribution and logistics
Marketing, sales and after sales services
ICT services
Administrative and management functions
Engineering and related technical services
Research & Development
Other support functions

Global Production → Statistics Denmark
International Sourcing study



Inward vs. Outward FATS



Mandatory FATS variables [EUROSTAT]

- Number of enterprises
- Turnover
- Number of persons employed

} Inward & Outward FATS

- Value added at factor cost
- Gross investment in tangible goods
- Personnel costs
- Production value
- Total purchases of goods and services
- Purchases of goods and services for resale
- Total intra-mural R&D expenditure
- Total number of R&D personnel

} Inward FATS

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New recommendations for IMTS

- Valuation : Imports on the FOB basis in addition to the standard CIF valuation; valuation of specific categories of goods;
- Partner country: Recording of a second partner country (country of consignment);
- Mode of transport
- Customs procedure codes

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Implementation Programme of MSITS 2010

- New Service Category: “Manufacturing services on inputs owned by others”
- Focus on Compilers Manual for MSITS 2010 (detailed service categories and detailed FATS)
- MORE DETAIL !
- Trading Partners
- Technical assistance

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Example of Statistics Norway

- Statistics Norway is exclusively responsible for all statistics related to international trade
- Does not have FOB type import, but calculates value of freight and insurance based on micro trade data
- One unique identification of all traders (same as in the business register and business statistics)
- FATS is being established
  - Figures on inward FATS published in 2010
  - Outward FATS is under development

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IMTS

- IMTS in Norway is mainly based on customs data
- However, very important data categories (oil, gas, ships and airplanes, electricity, coal) are based on direct reporting of transaction value from enterprises
- Customs data are transferred on a daily basis

SITS

- The SITS is based on a quarterly sample survey since 2005
  - about 4000 enterprises in annual survey and
  - about 400 in quarterly survey
- The quarterly survey now has an increased sample
  - **Quarterly sample size in 2011: 3000 enterprises**
- The annual survey was terminated in 2009

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Linking Trade and Business Statistics

Italy

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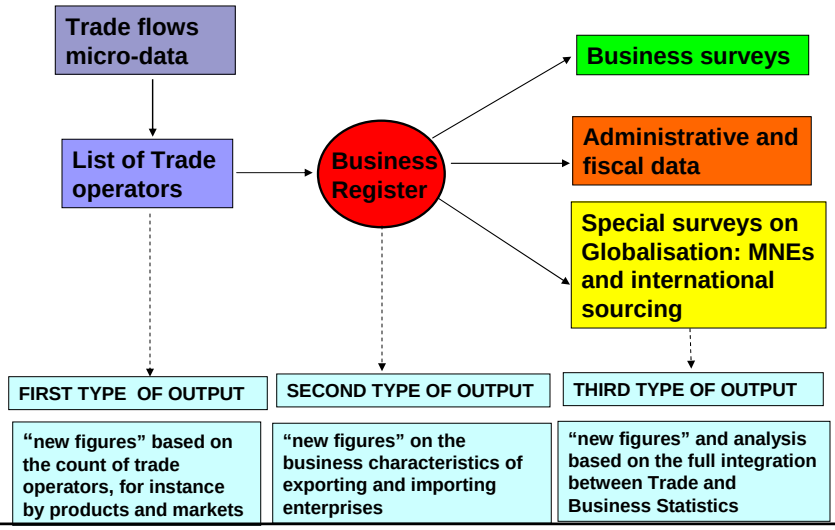
The link between the list of trade operators and the Business Register is the GATEWAY to any new and successful developments in trade statistics



Linking Trade and Business Statistics

Netherlands

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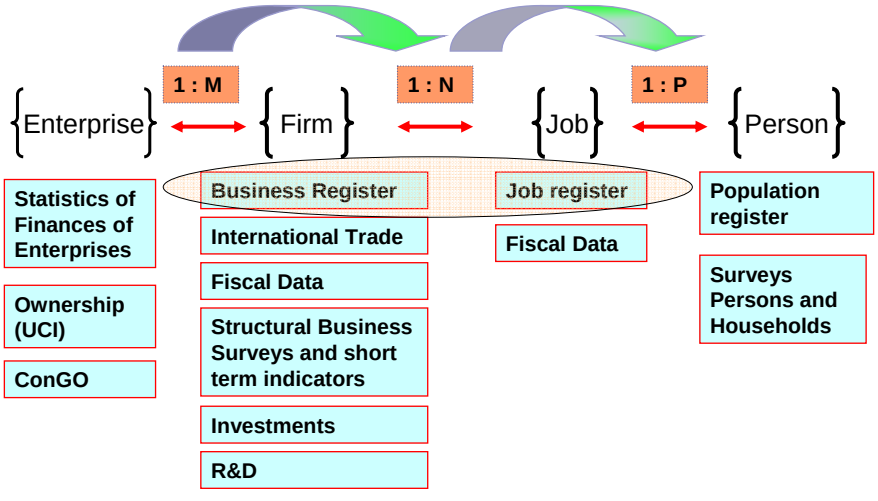
Integrating economical, functional and social statistics



Linking Trade and Business Statistics

New Zealand

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What's in the LBD?

Longitudinal Business Database

Administrative data	Longitudinal Business Frame	Survey data
• Goods and services tax data • Financial accounts (IR10) • Company tax returns (IR4) • Linked Employer Employee Database • Overseas merchandise trade • Government assistance data	Contains longitudinally linked data for most enterprises operating in NZ. Includes information on: • employment • location • industry • ownership relationship Allows individual business to be tracked over time.	• Annual Enterprise Survey • Business Operations Survey • Manufacturing and Energy Use Survey • Business Finance Survey • Research and Development Survey • International Trade in Services and Royalties

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Protocols for using the LBD

- Integrating data raises issues around privacy, confidentiality, and security
  - access is granted to government employees for research purposes
  - non-departmental research access is by secondment
  - anonymised data accessed only through the Data Lab
  - outputs subject to confidentiality checks.

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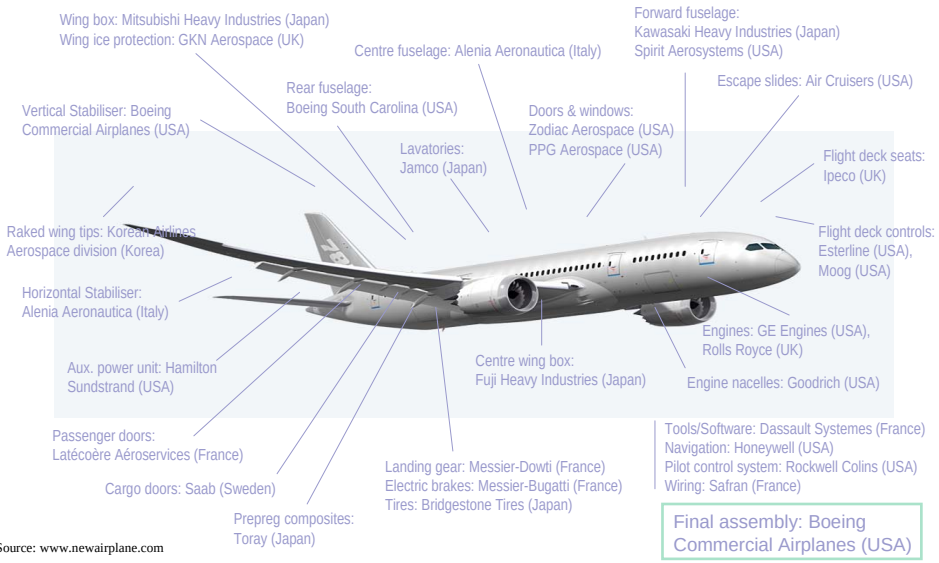
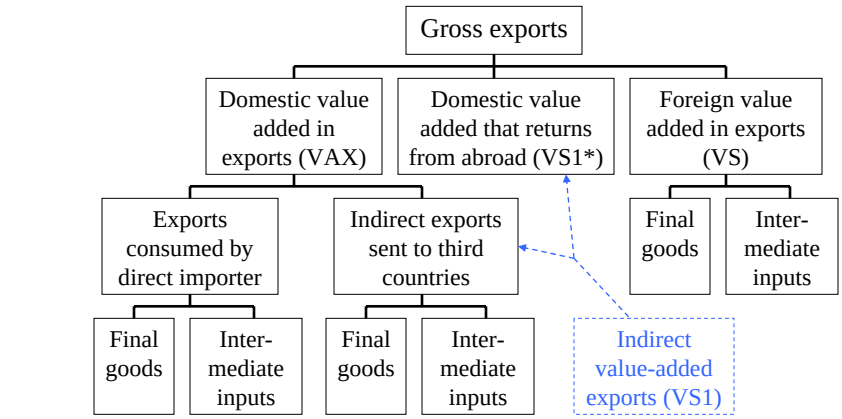
Fragmentation of production: the example of the Boeing 787 Dreamliner



Source: www.newairplane.com

Completely decomposing gross exports



Further downstream ⟷ Further upstream in GVCs

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Outcome and Follow-up to the Global Forum on Trade Statistics

back to Trade Statistics Branch

18 May 2011

Global Forum on Trade Statistics

organized jointly by UNSD and Eurostat in collaboration with WTO and UNCTAD

2-4 February 2011, Geneva, Switzerland

Vision of the future of international trade statistics

Responding to demands of policy makers for more information on international trade and its relation to global value chains, employment, environment and the interdependence of economies, the participants of the Global Forum on Trade Statistics identify the following points of improvement.

Improve the relevance of international trade statistics by connecting trade information and integrating it with its economic, social, environmental and financial dimensions while minimizing the response burden.

Improve the statistical production process by better defining and organizing the co-operation among national stakeholders

Improve international classifications and correspondence tables relevant for research on international trade and globalization, such as research on trade in value added, on global value chains and on outsourcing of business functions.

- **Agenda:** Webpage / PDF
- **List of participants:** Countries / International organizations
- **Report of the Forum:** PDF (Updated 18 May 2011)
- **Outline of the Compendium on International Trade and Business Statistics:** PDF
- **Vision Statement:** Detailed PDF (Updated 15 March 2011)
- **Trade Information Systems in 2020 – Background note:** PDF

GLOBAL FORUM
ON TRADE STATISTICS
UNITED NATIONS
STATISTICS DIVISION
EVENTS
PROCESSES
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Workshop on Global Production and Trade in Value-Added, USA, Jun 2011
Seminar on International Trade Statistics, Lithuania, Sep 2011
Seminar on International Trade Statistics, China, Oct 2011
Intergovernmental Processes on Trade Statistics
Global Forum on Trade Statistics
The Global Forum consisting of trade statisticians, economists, trade analysts and policy makers from all over the world, developed a new vision for international trade statistics.
Research Studies Analytical Reports and Trade Publications
Trade statistics are used in different statistical frameworks: national accounts, balance of payments, customs, input-output tables, etc. Structural changes linked to globalization are challenging the relevance of these traditional trade statistics.
Follow Up Events
Trade statistics are used in different statistical frameworks: national accounts, balance of payments, customs, input-output tables, etc. Structural changes linked to globalization are challenging the relevance of these traditional trade statistics.

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Statistics of International Trade in Services (SITS)
Revision of Broad Economic Categories (BEC)
Classification of Business Functions
Guidelines for Integrated Economic Statistics
Intergovernmental Processes on Trade Statistics
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PUBLICATIONS
Measuring Global Trade
Trade in goods and services
Trade and business statistics
Global value chains and outsourcing of business functions
Global production and trade in value-added
Multi-nationals, FATS and FDI
MEASURING GLOBAL TRADE
Canada State of Trade 2010
FOREIGN AFFAIRS AND INTERNATIONAL TRADE CANADA
Canada's State of Trade – 2010 was prepared under the direction of Rick Cameron
of the Chief Economist of the Department of Foreign Affairs and International Trade.
was written by Rick Cameron, with contributions provided by Erik Ens (Chapter VI),
Boileau and Florence Jean-Jacobs (Canadian exports to the United States by truck)
Johannson (Canadian exports to U.S. regions), Lydia Gosselin-Couture (Intra-firm a
trade between Canada and the United States), and Aaron Sydor (Canadian exports

Thank you