

TASK FORCE ON INTERNATIONAL TRADE STATISTICS

Washington, 8 – 10 March 1999

Minutes

OPENING REMARKS

Ms. Carol S. Carson, Director, Statistics Department, IMF welcomed the members of the Taskforce. She stressed the importance of harmonizing concepts across macro economic systems and was also pleased to note the pragmatic, practical way the TF was addressing the improvement of co-operation, and collaboration and flow of data across international organizations.

1. ADOPTION OF THE PROVISIONAL AGENDA

The provisional agenda was adopted after including the following items:

Under Agenda item 3 - The use of CPC and other classifications

Under Agenda item 13

- Forthcoming OECD meeting on Trade Statistics
- EU efforts to study the interaction between B.O.P., system of national accounts and external trade.

2. MINUTES OF THE MEETING HELD IN BRUSSELS, 25-26 FEBRUARY 1998

The minutes were accepted as circulated.

3. FOLLOW UP ON DECISIONS BY THE UN STATISTICAL COMMISSION

(a) International Merchandise Trade Statistics – Concepts and definitions

They have been finalised. The English version was issued in October 1998. Translations are currently being verified. They will be finalized this year, and issued at the end of 1999 in all UN languages. Implementation by countries is expected to take around three years.

Comments of taskforce (TF) members on the further harmonization of the merchandise concepts and definitions with the 1993SNA and BOP5 was sought by UNSD.

Comments:

- Overemphasis on existing practices does not necessarily lead to further harmonization (IMF).
- EUROSTAT is starting work on a European version of merchandise concepts and definitions.
- EUROSTAT and IMF could exchange views on the harmonization of external trade, SNA and BOP.
- UNSD response to TF comments.
- Practical experience gained in documenting country practices for the Compiler's Manual is expected to provide input into the harmonization process, but as yet it is premature to go into details.

(b) The Compilers' Manual (CM)

UNSD presented a revised outline of the CM incorporating comments from countries and TF members, along with an action plan. TF members were invited to comment on the outline and the action plan, and on the possibility of participating in the drafting. Suggestions for inclusion of additional items in the revised outline by Countries/TF members are flagged in bold. It does not mean that the countries/TF members so indicated are expected to prepare material for these items.

UNSD has the overall responsibility for the Manual. Drafting is expected to be done through UNSD staff, consultants, and an expert group consisting of interested countries and TF members.

Comments:

On the contents, numerous suggestions were put forward by TF members. It was agreed that many of them went far beyond the scope of the Manual which is to provide practical guidance on implementing the Concepts and Definitions. The suggestions made are enumerated below:

- Shuttle trade in transition economies – it largely escapes customs reporting. Its treatment should be discussed (IMF)
- Separate chapters on index numbers (EUROSTAT, IMF)
- Separate chapter on data analysis (EUROSTAT)
- Analysis of functionalities of IT products to support Compilers (EUROSTAT, ITC, OECD)
- More input on Customs Unions (EUROSTAT)
- Chapter on dissemination to include practical advice on how to pass on information within a country (ITC)
- Facilitate the drafting process through the internet site (OECD)
- Use of SITC, CPC as "analytical" classifications
- Broaden the base of the Expert group to include BOP and SNA experts (IMF, EUROSTAT)
- Presentation of the manual – in loose leaf form (WCO)
- Linked to users' requirements (OECD, EUROSTAT)
- Electronic commerce – how does it fit in? (WCO)
- The manual could contain an annex with appropriate literature that could be notified to UNSD by TF members (ITC).

UNSD response was to welcome all suggestions, but to point out that the scope of the Manual is too narrow to incorporate them all. For example, they would rule out inclusion of index numbers, seasonal adjustment, data analysis, extending the coverage of the expert group, and a detailed approach to harmonization issues.

Actions:

- UNSD would take note of the suggestions put forward. They would also be reflected in the minutes. Members were also welcome to e-mail suggestions to UNSD (focal point Vladimir Markhonko).
- After bilateral consultations between UNSD and EUROSTAT it was agreed that the chapter on Customs Unions could be extended to include 3 others in the context of presenting examples of different approaches to compiling trade statistics of customs unions.
- TF Members agreed with the narrower focus of the Manual. It was suggested however, that the other specific issues could be addressed in a series of manuals, and that the

launching of such could be announced, or summary chapters could be included in the MTCD to show that work in a broader context is ongoing.

- Offers to help with the drafting of the Compiler's Manual came from IMF, OECD, EUROSTAT, WCO and WTO.

(c) Statistical territories of the world

TF members were presented with the final form of the information gathering questionnaire, which was scheduled to be sent to countries immediately after the meeting. The final report was expected to be published (including electronically) in 1999 or 2000.

Action:

UNSD promised to send a copy of this questionnaire to EUROSTAT.

(d) Index numbers on international trade

TF members were brought up to date on the progress UNSD had made to fulfill the UN Statistical Commission request to compile a report on national compilation and dissemination practices with respect to index numbers on international trade. In doing so it was stressed that this work was not meant to be a manual, but only a collection of information. The final report is expected to be ready by the end of 2001.

Comments:

- Index numbers on value, unit values, prices and volume should be covered (IMF).
- There is a lot of activity in this field in EUROSTAT. They are willing to share their experience. They expect to produce a final series in 2 years.
- Trade development index is computed by ITC.
- For information of the TF, work in progress on compiling international handbooks on prices was mentioned by IMF. Currently consumer prices are being addressed through an Inter-Secretariat Working Group. Producer prices will follow. Index numbers on foreign trade will eventually be addressed. The ECE is convenor of the ISWG on consumer prices. IMF is the convenor for producer prices. There is no convenor for foreign trade data.
- Question of whether wholesale prices should be included (UNCTAD).

Actions:

- The need for international agencies to exchange views, share experiences and co-operate in this area was mentioned. A start could be made through an exchange of experiences through the Internet Forum and, eventually, through a joint paper. The IMF could explore the possibilities of keeping the TF abreast of developments in the ISWG.
- This area should be flagged for follow up at the next meeting of the TF.

(e) Use of CPC and other classifications (additional item)

Discussion of classifications that could provide useful aggregates for analysing trade flows took place under this item.

UNSD mentioned the question put by the UN Statistical Commission – as to whether trade data according to the CPC provides useful aggregates for analytical purposes. To answer this

question, UNSD had put together a small data set of CPC aggregates. It will be passed on to users (economists) to assess.

EUROSTAT – At the aggregate (2 digit) level, the HS is not relevant for analytical purposes. If the HS is not relevant then, what classification could be envisaged – SITC, CPA, CPC, etc. Who could recommend a classification that could have a relevant analytical content? They favour the SITC.

IMF - In the broader context of the economy as a whole a harmonized nomenclature (including goods and services) like the CPC should be used.

Researchers should be free to create their own aggregates. With advances in IT, this work is more and more easy to do.

Action:

UNSD can make merchandise trade data according to CPC available to economists in various organizations to test how useful it is.

4. FLOW OF DATA AMONG INTERNATIONAL ORGANIZATIONS

(a) (b) Aggregate trade data and trade conversion factors - UNSD and IMF

UNSD reported that they take IMF national currency figures and expect to adopt the dollar figures following consultations to shed light on the reasons for the differences identified in the note circulated at the meeting.

IMF – The annual aggregate merchandise trade data in the IFS are derived by aggregating monthly data supplied by countries. Since the monthly figures are not always revised, IMF annual data may not necessarily reflect the latest figures. This can also contribute to the observed difference in trade conversion factors between the UNSD and the implicit IMF rates calculated by UNSD. An improvement in methodology is being considered.

IMF – Direction of Trade data are not necessarily comparable to IFS data due to the use of partner statistics to obtain missing values.

UNSD will switch to the IMF system when IMF figures reflect the latest data.

(c) Comparison of annual totals between IFS/MBS/COMTRADE

UNSD reported that the total figures per country in the three data sets were closer than they used to be. It is not feasible to align all reporters, but significant differences should be explained and revisions to the UN data must be made at the country level.

Action:

UNSD will continue to pursue alignment and will report back to the TF at its next meeting.

(d) Differences between annual figures in EUROSTAT, and OECD

Comparing EU figures from EUROSTAT, OECD and UNSD. OECD introduced a note in response to a presentation on the same issue made by EUROSTAT at the last TF meeting in Brussels.

With regard to EUROSTAT/OECD comparisons, OECD came to the conclusion that conceptual and timing factors were the main contributing factors to the differences. In respect to UNSD/OECD comparisons, they observed that the two organizations used the same sources, and that there was a high degree of convergence. Significant differences could be traced to timing and the treatment of confidentiality.

EUROSTAT – timing, sources, concepts and definitions (national as reported to UNSD/OECD vis-à-vis as reported to, or adjusted by, EUROSTAT) can all have an important impact on the convergence of trade data for individual reporters across organizations. For example, France processes trade data according to international concepts, and then according to EUROSTAT concepts and definitions. EUROSTAT is asking for the two data sets for comparison purposes. Frequent revisions to national data which do not find their way into UNSD or OECD databases were also cited.

UNSD – cited the example of trade data for Portugal and Denmark which should have been identical to EUROSTAT, but on testing were found to differ in terms of absolute values, top 30 commodities and confidentiality.

Action:

For comparative purposes, data need to be obtained and processed at the same time and underlying concepts explained. EUROSTAT will go back to Members States on this issue and provide a report for the next TF meeting.

(e) Exchange of detailed trade data between EUROSTAT, OECD and UNSD

UNSD reported that after ongoing work in 1998 they would in principal no longer collect trade data individually from OECD member countries but through OECD. This step will reduce the burden on member countries and improve comparability. A Memorandum of Understanding between the two organizations is being prepared. Further co-operative efforts will hopefully lead to uniform processing procedures, computer systems and sharing of processed data. Similar work with EUROSTAT is not as far advanced.

OECD commented on how this rationalization process could be seen to be sending the right signal on co-operation, division of labour and collaboration to Member States.

Significant advantages to be gained from openness of computer systems; i.e. the possibility for trade analysts in OECD to move freely from OECD member country trade to full UNSD trade. Differences UNSD-OECD would disappear if both organizations implemented the burden sharing project.

EUROSTAT made a strong plea to TF members to replace aggregate EU(15) data derived from the addition of national trade returns with the aggregate EU(15) or EU(11) data from EUROSTAT which has been harmonized to conform with EU concepts and definitions and to

exclude double counting. They could provide international organizations with monthly and annual data at the aggregate EU level. International organizations could continue to use national data at the country level. In order to avoid divergences between organizations caused by revisions (EU cited the example of member states who regularly revise their data for the past 36 months). There would need to be an agreement on a common time table for releasing data and labelling it correctly (i.e. version of total at a given point in time).

Comments:

- IMF suggested that the problem of double-counting was not only a problem at the regional, but also at the national level. In turn, solutions at the national level would help. A new page in the Fund's IFS on the Euro Zone (EU11) would contain harmonized EU data.
- WTO adjusts EU(15) data for asymmetries resulting from INTRASTAT.
- UNSD pointed out that aggregate EU figures that were not the sum of EU members states' data could cause confusion to users. They would pick up EU(11) data from the IMF.
- OECD suggested a dual track approach in the treatment of EU data provided it could be presented in a clear manner. Users should have access to totals calculated by EUROSTAT (political total) as well as traditional approach used by OECD based on country aggregation. The IMF supported this approach.

Conclusion:

There has been a lot of progress in terms of rationalization. This is encouraging. Further steps are under discussion.

Action:

With regard to EU data there is clearly a need to decide whether at the aggregate level harmonized EU totals should be used, which may be different from the sum of EU member countries. This will need to be studied further by TF members.

(f) Inconsistencies between the reported imports and reported exports of trading partners : an overview of the reasons for discrepancy.

A revised note prepared by WTO incorporating further information was introduced.

Actions:

- The paper should be made available to users. After that no further action would be required.
- The ITC mentioned a study on partner country data reliability and proposed to report back to the TF on this.

(g) Options for reducing the differences in trade statistics. Inconsistencies among international organizations

WTO introduced a paper presenting options for carrying forward the work already underway of reducing the differences in merchandise trade data among organizations. The paper makes a compelling case for pushing ahead with this work. It aims to reduce differences through taking into account the work done so far, using available resources, proceeding in a pragmatic, step by step manner and maximising the use of information technology. The ultimate goal would be to

establish a central repository of harmonized, up-to-date statistical information, including both data and meta data. A top-down approach was recommended starting at the aggregate level and ending at the 3 digit SITC level.

Comments:

- OECD: observed that the paper was very rich in ideas, but the pragmatic approach of continuing on the work of rationalization was probably the best option. They described a pilot project with IVATION, the developers of Beyond 20/20 which is now OECD's standard dissemination software. Using historical detailed trade data, a web Data Server is under development which could make data available world wide (free for privileged users, on a charge basis for others). It will include very powerful search, browsing and statistical functions (e.g. rankings) and will be presented by IVATION at the OECD meeting on Trade Statistics in Paris 8-9-June 1999.
- UNSD: noted that the concept of a 3-digit SITC adjusted data base was discussed and then abandoned by the TF as being too ambitious (see Task Force meeting Luxembourg 14-16 November 1994, item 8, pages 5-7, especially the last para). However, there was a need to collaborate on estimates. UNSD would be willing to use WTO estimates for total trade of non-reporters. The question of including a balancing item in COMTRADE to link it to the aggregate data was being investigated (see item 4c).

Conclusion:

Most TF members were agreed that the paper was too ambitious. The time and resources required to implement the full approach would be very significant. Work on further reducing differences should continue on an incremental basis.

5. COMTRADE

(a) Status

UNSD summed up the annual report on COMTRADE by citing improvements in availability, the technical soundness of the data base and pointing to new statistics on usage by agency. At the same time, however, they mentioned the continuous battle to get countries to submit data and the difficulties in getting historical HS data.

UNSD response to a problem of accessing COMTRADE raised by UNCTAD was that it was probably due to the fact that ICC was changing the operating system. In response to a question raised by WTO on late reporting of some important traders, UNSD cited continued efforts to remind reporters to submit data via all channels.

(b) Rationalization of COMTRADE

UNSD summarized the work that had been undertaken to rationalise the content of COMTRADE since the last meeting of the TF. The overall conclusion was that user demand existed for all classifications currently in COMTRADE and that user needs for others (ISIC and CPC) had been identified. One of the technical problems that had triggered the request from the UN Statistical Commission to rationalise the database, namely lack of disk space, no longer existed due to advances in technology. As a result UNSD had recommended to the Commission at its 30 Session (1-5 March 1999) that COMTRADE remain unchanged. The Commission had accepted this recommendation with the proviso that a long term rationalization plan should still be developed. Therefore the issue had come back to the TF.

UNSD intended to consult again with users and suggested that a time-frame for rationalisation could be linked to the implementation of the new version of the HS.

Comments:

Exchanges of information by TF members regarding their experiences on conversions from primary classifications "on the fly" led the UNSD to conclude that a technical solution to rationalisation rather than the elimination of one or more classifications from the data base could be the way to go.

(c) HS to Rev. 3 to Rev. 2 versus HS to Rev. 2 direct

A WTO opinion that conversion of HS directly to the SITC Rev.2 rather than through the SITC Rev.3 as is the present case had not yet been tested by UNSD.

OECD applies the same approach as the UNSD. They will be briefly discussing this at their forthcoming meeting on trade statistics.

EUROSTAT was not sure what approach was being used.

Actions:

- UNSD intends addressing this issue in the near future. The item will remain on the agenda.
- EUROSTAT will investigate the approach they use for converting EU data.

(d) COMTRADE for windows

The latest update by UNSD concerned a revised version (CFW2.0) which was issued in 1998 with enhanced functionalities. A 32-bit test version of CFW2.0 will soon be issued to OECD and WTO who have upgraded their network environments, but it will not be developed further. Rather, efforts will concentrate on developing CFW3.0, a 32-bit programme developed to run on the OS/390 system addressing the COMTRADE 2000 data base.

(e) Y2k and client/server COMTRADE

UNSD noted that COMTRADE is Y2K compatible. A new version with new 4 digit year data element is being made available for testing.

Action:

UNSD would like to obtain comments from users, especially those with their own interfaces. The contact point in UNSD is Peter Lee.

Client/server COMTRADE:

UNSD noted that they are currently evaluating the possibilities of changing COMTRADE to a client-server platform. The objective is to pick up a system that already exists and to adopt, or adapt it. The first phase would concern the extraction process, followed by processing. The aim is to have at least the same functionalities as the mainframe system, particularly for large scale extractions. TF members were assured that the mainframe system would remain available over the long term. UNSD is currently evaluating a number of different systems, e.g. OECD, WB, ITC.

Comments:

- WTO is also developing a client-server system and could provide UNSD with details.
- EUROSTAT suggested that this area could provide a lot of opportunities for collaboration and harmonization and proposed sharing information in two areas – functionalities and tools (software).
- OECD suggested that harmonization of software across organizations is not easy due to its dynamic nature and different user requirements. The focus at the international level could, however, be on functionalities.
- UNSD shared the same views on exchanging information on functionalities
- UNCTAD suggested checking with ASYCUDA (now in 75 countries) on the selection of fields to be included in the functionalities.
- ITC pointed out that, at the national level the data (and therefore the functionalities) were more complex.

Actions:

- UNSD will share information on functionalities built in the COMTRADE system with other TF members.
- The TF internet site could be the forum for this information.
- WTO can contribute.

6. ESTIMATION METHODOLOGY

(a) Improving the estimation of aggregate exports and imports

UNSD updated the TF on its efforts to generate estimates of aggregate trade by country. Due to resource constraints this work has not been completed, nor has UNSD been able to compare their estimates with those of other organizations. This work will resume from the second quarter of 1999.

Comments:

- WTO makes aggregate trade estimates twice a year. The data are supplied to TF members. They could also contribute information regarding the methodologies used.
- EUROSTAT no longer estimates due to lack of resources.
- UNSD would be prepared to go out of the estimating business if alternate authoritative sources could be used.
- IMF - aggregate DOTS estimates are derivative only. The main emphasis is on partner details.

Conclusions:

- The discussion pointed to a need for consistent set of aggregate trade data. For example OECD mentioned a continuous need to link developments in OECD members to world trade. Therefore they need solid data at the world level. They would like to extend data from 29 members to the rest of the world. What data should they use?
- EUROSTAT/ITC- pointed to the usefulness of a common database of aggregate data.
- References back to the previous discussion on the WTO proposal for reducing the differences in trade statistics between international organizations (item 4g) were made (WTO/OECD/EUROSTAT)

Actions:

- WTO will provide a paper on its methodologies for estimating total trade.
- IMF will make its estimation approach available to WTO and UNSD.
- A proposal was made to create an internet site with country aggregates of total exports and imports. To be filled by IMF, OECD, UNSD, WTO.

(b) Simplified estimates of commodity flows – 3 digit SITC

UNSD reported on a new programme that has been developed. Reported totals are broken down on the basis of the previous years pattern, partner data or partial data. This new approach yields good results and could be applied to the UN world trade matrix.

(c) Estimation of world export matrix by commodity groups and regions

A report, presented by WTO, provided an overview of the preparation of their world trade matrix by commodity groups and regions. The report was prepared as input for evaluating the possibility of collaboration with UNSD in this field of activity.

Action:

UNSD will prepare a paper on their methodology. The two approaches will be reviewed with the objective of finding the right balance between compatibility and complementarity of the two approaches.

7. PROGRESS ON HS REVISIONS

WCO gave a presentation of the updating process leading to the 2002 amendment. The final list of amendments will be ready in 2000, including the correlation tables between HS96 and HS02. Implementation will commence on the 1st January 2002.

UNSD noted that, on the basis of the provisional list of amendments to the HS, there would not be a need to revise the SITC rev.3. UNSD would prepare and distribute a correlation table between the HS02 and the SITC Rev.3.

Comments:

- During discussion on treating split HS codes it appeared that UNSD and EUROSTAT applied different methods, which could lead to new discrepancies.
- UNSD suggested that the timing of HS revisions could be prolonged without negative consequences. In support he cited the relatively few amendments introduced in the HS02 despite a 6 year gap instead of the usual 4 year gap between revisions. A signal to this effect could be sent to the appropriate HS Committee(s).
- EUROSTAT/WCO drew the attention of the TF to moves towards the simplification of data elements in customs procedures e.g. The Toyota proposal to make one single report on trade of EU (rather than single country members), or the prototype to collect one single set of data for trade between UK and USA. The main reason cited was pressure from companies to reduce their reporting workload.

Actions:

- The issue of the timing of HS revision should be adequately reflected in the Report of the Task Force.
- Arising from the discussion of the tendency towards simplifying data collection methods as mentioned by EUROSTAT and WCO it was decided to include an agenda item at the next TF session devoted to an open discussion on *The simplification of data elements collected by customs offices and its implication on trade statistics*.
- UNSD and EUROSTAT agreed to consult each other on the treatment of split HS codes.

8. GLOBALIZATION PROJECT (update by EUROSTAT and OECD)

OECD presented a paper on the work going on in OECD on globalisation. Several OECD Directorates have ongoing analytical projects on globalisation. Further discussion or enquiries can be taken up directly with the author of the presented paper, Mr. Thomas Hatzichronoglou (e:mail: thomas.hatzichronoglou@oecd.org).

EUROSTAT introduced a paper on a TF set up to study the feasibility of integrating information on intra-firm trade into foreign trade statistics.

Comments:

- UNCTAD raised the question as to whether the HS was sufficiently detailed to capture the necessary data.
- More detail could perhaps be obtained from secondary data bases (OECD).
- For research on high tech products, information society product combined nomenclature is used for finer analysis, e.g. CPA/NACE. (EUROSTAT).
- ITC noted that current trade statistics do not cover this properly. ITC has been going to enterprise level data when available. They have it for the US and Japan, but there are no data for Western Europe.
- OECD/ITC – current trade statistics are less and less capable of explaining current phenomena and of meeting user requirements.
- UNSD – Globalisation has important implications for the underlying trade methodology and therefore needs to be continuously addressed by the TF.

Action:

ITC to prepare a report for the next meeting on sources of trade data that go beyond the traditional approach. e.g. role of foreign-affiliated firms, sub-contracting, etc.

9. TREATMENT OF EU IN INTERNATIONAL TRADE STATISTICS

EUROSTAT introduced a proposal for presenting consistent EU trade figures across international organizations that would entail publishing, for the aggregate trade of the EU, harmonized EUROSTAT data differentiating between intra and extra trade. At the country level, non harmonized data could be used, but a way to bring the harmonized and non-harmonized data into line, possibly through a "reconciliation" line, would have to be found.

Comments:

- IMF - trade data in the IFS country pages are sourced from national data. Trade data in a new EU(11) page will use harmonized data, excluding EU(11) intra-trade.
- EUROSTAT mentioned the inherent asymmetries in the EU trade data since the introduction of INTRASTAT. Trade balances derived from data that had not been adjusted for these asymmetries would be misleading. A way of dealing with this problem has been to replace arrival (import) data with the dispatches (export) data which is considered to be more reliable. However, these data are not the official EUROSTAT data. At the aggregate (intra plus extra) level, these asymmetries are inherent in the official data.
- The representative of DG1 explained the political sensitivity of this statistical problem. For this reason, creation of a Euro-page in the IMF series using the appropriate data is very important.
- WTO noted that their aggregate EU trade data for economic analysis contains an adjustment for the asymmetry in EU intra-trade. These data are not sourced from EUROSTAT. The adjustment is not reflected at the country level. Trade data for negotiating purposes, or in response to WTO notification requirements come directly from the Commission. The WTO is currently evaluating the analytical impact of switching to harmonized EU aggregate data.
- UNSD undertook to investigate this problem with a view to presenting data in the most transparent way. For example, to present both an EU line as calculated by EUROSTAT in addition to the national data.
- OECD understood the problem faced by the EU and also undertook to assess the situation. There was a clear need to align practices between agencies. The dual track strategy was probably the most pragmatic solution.
- IMF cautioned that more work needed to be done to assess the full impact of the problem. For example, in respect to ensuring consistency over time, impact on users, the asymmetry question.

Conclusion:

There is a consistency problem between harmonized and non-harmonized EU data; inferences drawn from aggregate EU data (intra+extra) are misleading due to the asymmetry problems in intra-trade figures. There is a need to align practices across agencies, and to present EU data in a clear, transparent way.

Action:

Further exchange of views and information between agencies are to be made (OECD 20 April 1999 - They have made available to EUROSTAT the monthly data in their database for making a detailed comparison of monthly EUROSTAT and OECD data).

10. INTRASTAT, EUROTRACE AND ASYCUDA PROJECTS

UNCTAD and EUROSTAT briefed the TF on ASYCUDA and EUROTRACE.

ASYCUDA is operational in 75 countries and has expanded very successfully over past years.

EUROSTAT - The Methodology, Nomenclature and (Trade) statistics Unit is now responsible for EUROTRACE in all except for PHARE and TACIS countries. The system consists of software and training for compiling external trade statistics. The EUROTRACE system of software has a national module for countries which have introduced ASYCUDA. The regional module prepares regional data. It is still a DOS version. Now, EUROSTAT is working on a Windows version and a UNIX version, with enhanced functionalities. EUROSTAT also mentioned a new project - XT 2000. The

objective is to make available the EU approach of concepts and methodology to trade statistics, as well as modular and portable tools. Hence, EUROTRACE will be a subset of XT 2000. Currently there are a number of field projects in the Mediterranean, COMESA, the PHARE countries, and exercises on mirror statistics with a number of countries.

UNSD cited the positive impact of ASYCUDA and EUROTRACE on the availability of trade data. Many of the new countries reporting to UNSD are those which have introduced these systems. However, the link between the compilation stage and final processing into "official" statistics was still weak in respect to both ASYCUDA and EUROTRACE. This weakness was echoed by the IMF.

Action:

The task force requested EUROSTAT to look for ways to ensure that foreign trade data files generated by ASYCUDA and processed under EUROTRACE are actually included in COMTRADE. Similarly, UNCTAD should try to ensure that foreign trade data from the ASYCUDA system are forwarded to the national statistical offices for processing and submission to COMTRADE.

11. PRICE AND VOLUME INDICES

UNCTAD updated the TF on the HS-based trade deflator system. He took the TF through the estimation procedures, the quality checks and some interesting uses (computing *ad valorem* equivalents for specific tariff rates; calculation of substitution elasticities). The data have been, or can be, made available to other international agencies. Future updates depend on the availability of funds.

EUROSTAT and OECD expressed interest in the data and intend contacting UNCTAD.

12. STATISTICS FORUM ON THE INTERNET

OECD introduced an electronic discussion group (EDG) for the TF, set up by OECD and WTO for exchanging information on merchandise trade statistics. The EDG is called International Trade Statistics. The moderators are OECD and WTO. A print screen of the home page was circulated.

The advantages in terms of communication and targeted exchanges of information are tremendous. The EDG will allow the task force to continue its work more effectively between meetings.

Comments:

- The initiative was commended by all members of the task force.
- The main points that arose from the discussion were that it was difficult at this stage to make constructive comments on the categories proposed by OECD/WTO as requested.
- In terms of division of labour, the moderators could take on the job of loading the basic information, but then it would be up to TF members to post information on the site themselves. As the EDG is a shared folder, a certain amount of discipline will be necessary.
- On the question of documents which relate to more than one category it was suggested that moderators should identify a simple way of referencing documents according to the most appropriate category, sub-category and topics.
- Other suggestions included additional categories on analysis and user feed-back and for literature on trade statistics.
- There should be a search facility to look for documents by key words.

Conclusion:

For an EDG to work effectively it is important to keep it simple, be disciplined, and not to overburden the moderators. The TF agreed that the EDG would not be in the public domain. Only members of the task force would have access.

Actions:

- The TF will assess how things work out after one year.
- The first application will be finalising the minutes of this meeting.

13. OTHER BUSINESS

(a) Review of technical assistance

The TF exchanged information (oral and written) on their respective technical assistance programmes.

- IMF provides technical assistance.
- EUROSTAT: see comments under EUROTRACE.
- WTO - in the context of assisting developing WTO members in submitting information for the WTO Integrated Data Base on tariffs and trade (imports); and a number of reference centres designed to help developing countries access and use WTO material.
- UNSD hosts a series of regional workshops to train statistical departments on the new concepts and definitions ; eg there will be ones in Bangkok, the Caribbean and in Russia.
- ITC undertakes a comprehensive TC programme.

(b) Time and place of next meeting

UNSD proposed that the TF address the relation between trade and industrial activities in terms of the link between the trade classifications HS/SITC and the ISIC. An agenda item devoted to exchanging information on HS/SITC/ISIC correlations could be introduced. UNIDO had expressed an interest in this initiative. The next meeting could therefore take place in Vienna from 25 to 27 April 2000, and be hosted by UNIDO subject to their agreement.

The TF agreed to this proposal.

(c) Up-coming OECD meeting on trade statistics (additional item)

OECD announced that this meeting, the first to be hosted by OECD on merchandise trade would be held on 8th and 9th June in Paris, following OECD's progress in a variety of areas (the completed modernisation of the database system, new dissemination products, improved monthly indicators).

Topics to be discussed : Data availability and transmission to OECD. Country reports on how they operate their trade statistics system and future plans. Presentation of OECD's new trade database system and new products. Results of OECD client survey. Uses of trade statistics (in-house and external). Statistical issues. International co-ordination and data sharing. Good participation is confirmed and all TF members have been invited to attend.

- (d) EU efforts to study the interaction between the BOP, SNA and external trade (additional item)

EUROSTAT suggested that this topic be taken up by the TF. The IMF endorsed the suggestion.

Action:

It was agreed that this item could be included in the agenda of the next meeting.