S P E C I A L   F E A T U R E :

NEW RECOMMENDATIONS FOR INTERNATIONAL TRADE STATISTICS

The United Nations Statistical Commission (UNSC) at its 41st session (New York, 23 to 26 February 2010) adopted new recommendations for the compilation of international trade statistics: the *International Merchandise Trade Statistics: Concepts and Definitions, 2010 (IMTS2010)* and the *Manual on Statistics of International Trade in Services 2010 (MSITS2010).* Decisions of the Commission are reproduced in Box 1 and 2. These revised recommendations provide an updated conceptual framework for data collection and compilation and were harmonized, to the extent possible, with other relevant statistical frameworks such as the sixth edition of the IMF's Manual of Balance of Payments (BPM6) and the System of National Accounts 2008 (2008 SNA). We present below an overview of the new recommendations.

International Merchandise Trade Statistics: Concepts and Definitions, 2010 (IMTS2010)

A. Continuity of the conceptual framework

The revised recommendations for international merchandise trade statistics (IMTS2010) maintain the conceptual framework set out in the previous recommendations adopted by the Commission in 1997. In particular, it retained the following recommendations:

(a) to define the scope of international merchandise trade statistics in terms of the recording of goods that add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory,

(b) to use the general trade system,

(c) to use the Harmonized Commodity Description and Coding System for basic data collection,

(d) to use the free on board (FOB)-type statistical valuation for exports and the cost, insurance and freight (CIF)-type statistical valuation for imports,

(e) to use the net weight and the World Customs Organization quantity units

(f) to use, for partner-country attribution, the country of origin for imports and country of last known destination for exports.

At the same time, IMTS2010 provides additional amendments and clarifications relevant to the application of these recommendations.

B. New and updated recommendations

IMTS2010 provides updated or new recommendations and clarifications of the key concepts. The scope of the recommendations has been extended to cover the entire statistical process, thereby giving better and comprehensive guidance to compilers. At the same time, IMTS2010 has taken into account important user needs by recommending or encouraging the compilation and dissemination of some additional data and metadata. Specifically,

• *Scope:* inter alia, IMTS2010 clarifies and makes specific recommendations regarding the treatment of selected categories of goods that pose particular difficulties to compilers, such as goods simply being transported through a country, goods temporarily admitted or dispatched and media, whether recorded or not.

• *Standard International Trade Classification (SITC) (NEW):* IMTS2010 recognizes the analytical value of the SITC and recommends that countries use the classification to disseminate data if user demand exists.

http://unstats.un.org/unsd/trade/imts/imts_default.htm

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- *Valuation (NEW):* IMTS2010 encourages countries to compile or estimate statistics on imports on the FOB basis in addition to using the standard CIF valuation.

- *Quantity data:* IMTS2010 recommends, much more explicitly than in the previous edition, the compilation of quantity data using net weight and the supplementary quantity units for all transactions.

- *Second partner country (NEW):* IMTS2010 recommends recording the country of consignment in import statistics, in addition to the country of origin of goods. As such recording is more difficult to implement for exports statistics, the compilation for the country of consignment only is encouraged.

- *Mode of transport (NEW):* IMTS2010 reconfirms a previous recommendation and provides an appropriate classification of such modes.

- *Data source (NEW):* IMTS2010 confirms that customs records should be treated as the main and normally preferred data source. The use of non-customs data sources is recommended if customs records are unavailable or clearly inadequate.

- *Institutional arrangements (NEW):* IMTS2010 recommends that the establishment of the institutional arrangements necessary to ensure the compilation of high-quality trade statistics be given high priority and that their effectiveness be periodically reviewed.

- *Data quality (NEW):* IMTS2010 recommends that countries develop and use principles and standards for data quality and a standard for regular quality reports which would cover the full range of statistical processes and their outputs. In addition, IMTS2010 identifies a set of indicators for measuring the quality of international merchandise trade statistics.

- *Metadata compilation and dissemination (NEW):* IMTS2010 recommends that countries view the development of metadata as a high priority and consider their provision to users as an integral part of the dissemination of international merchandise trade statistics.

- *Data dissemination:* IMTS2010 clarifies and extends previous recommendations by (a) adding and elaborating recommendations on data confidentiality for merchandise trade statistics, (b) providing a suggested timetable for the release of monthly, quarterly and annual data, (c) describing desirable practices for the data revision policy and (d) providing basic recommendations for data and metadata dissemination.

- *Linking trade and business statistics (NEW):* IMTS2010 encourages countries to undertake efforts to link business and trade statistics, as this would create an improved basis for analysis of trade by kinds of economic activity, as well as for the assessment of the role of international trade in employment and income generation.

C. Responding to the needs of balance of payments and national accounts compilers

IMTS2010 has been developed with the needs of balance-of-payments and national accounts compilers in mind. In this context, IMTS2010 recommends the symmetrical recording of a number of transactions previously treated differently in export and import statistics and encourages trade compilers to cooperate with balance-of-payments and national accounts compilers with respect to the recording of goods of special interest to these systems.

Box 1: Decision 41/103 of the Statistical Commission at its 41st Session concerning International Merchandise Trade Statistics

The Statistical Commission:

a) Expressed high appreciation of the efforts undertaken by UNSD in the organization of the efficient revision process including the conduct of the worldwide consultation and commended the Expert Group and Task Force on international merchandise trade statistics and countries for their contributions;

b) Adopted *International Merchandise Trade Statistics: Concepts and Definitions, 2010* (IMTS2010) and endorsed the implementation programme as contained in the Secretary General's report paragraphs 25-31, including the preparation of the revised IMTS Compilers Manual and continued technical assistance activities;

c) Requested the Expert Group and Task Force to continue their work, focus on the implementation of IMTS2010 and give a due consideration to national circumstances, harmonization of national and regional compilation practices and the conduct of related comparison studies;

d) Requested that more attention is given to strengthening institutional arrangements in countries to ensure that proper national coordination mechanisms exist for the compilation of high quality international merchandise trade statistics; also, cooperation with compilers of statistics on international trade in services, balance of payments and national accounts should be ensured;

e) Recognized the importance of UN Comtrade as the global database and information platform on international merchandise trade and requested UNSD to enhance its features and metadata;

f) Advised that in the future research agenda a due consideration is given to the emerging trade policy needs and the globalization issues; in this context, linkage with business statistics and measuring merchandise trade in terms of value added should be further explored.

Source: E/2010/24 and E/CN.3/2010/34.

SPECIAL FEATURE (cont...)

Manual on Statistics of International Trade in Services 2010 (MSITS2010)

MSITS2010 is designed to serve a broad spectrum of statistical needs, but places special emphasis on those of the General Agreement on Trade in Services (GATS). An important feature is a description of the modalities through which services may be supplied, of which the GATS identifies four: cross-border, consumption abroad, commercial presence and presence of natural persons. Distinctions between these modes are based on whether the service supplier, the consumer, or neither, are present in one country or another for the transaction to be effected.

MSITS2010 was aligned as far as possible with the revised and well-established standards for compilation in this area, in particular the BPM6, the 2008 SNA and the revised *OECD Benchmark Definition of Foreign Direct Investment*. As a result, the concerned chapters of the *Manual* were updated. Chapter III (Services transactions between residents and non-residents) reflects the updates in the BPM6. Chapter IV (Foreign affiliates statistics and the international supply of services) now distinguishes more clearly between inward and outward Foreign Affiliates Statistics and has been aligned with the *BPM6*, the *OECD Benchmark Definition of Foreign Direct Investment* and the current *OECD Handbook on Economic Globalisation Indicators*. The treatment in the MSITS2010 of both balance of payments statistics and Foreign Affiliates Statistics is important for better linking these two frameworks.

Following the recommendation of the 2008 SNA to strictly apply the change of ownership principle, certain items were rearranged in the Extended Balance of Payments Services Classification (EBOPS2010). This was the case for "goods for processing" and "repairs of equipment" which were moved from the goods account to the services account, and for "merchanting", which was moved from the services account to the goods account.

Hence, two new main components were introduced in the EBOPS2010: "Manufacturing services on physical inputs owner by others" and "Maintenance and repairs not included elsewhere". Correspondence tables with the CPC version 2, the ISIC Rev. 3 and the GATS negotiating list will be provided online on the website of the Task Force on Statistics of International Trade in Services (TFSITS).

MSITS2010 also contains an updated annex clarifying the relation between the MSITS2010 and the 2008 *International Recommendations for Tourism Statistics* and *the Tourism Satellite Account: Recommended Methodological Framework 2008.*

MSITS2010 suggests that compilers implement a complete set of elements that build on internationally agreed standards and recommendations, so as to progressively achieve comparability of published statistics on international trade in services. These elements, if fully implemented, would represent a considerable increase in the information available on trade in services. For more about the revision process, go to the website of the TFSITS at: http://unstats.un.org/unsd/tradeserv/TFSITS/msits.htm.

Further information is available on the website of the Inter-agency Task Force on Statistics of International Trade in Services (TFSITS) at:

http://unstats.un.org/unsd/tradeserv/TFSITS/msits.htm

Box 2: Decision 41/104 of the Statistical Commission at its 41st Session concerning Statistics of International Trade in Services
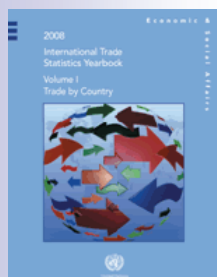
The Statistical Commission:

a) Expressed appreciation of the intensive work of the Task Force members in revising the Manual on Statistics of International Trade in Services (MSITS);

b) Adopted the Manual on Statistics of International Trade in Services 2010 (MSITS2010);

c) Endorsed the implementation programme and urged the Task Force on Statistics of International Trade in Services (TFSITS) to take note of the following: (i) The importance of the compilation guidance; (ii) The significance of trade in services in globalization and links to other frameworks; (iii) The emphasis on linking the Manual to the revised Balance of Payment Manual, the revised SNA and the linkage to commodity trade.

d) Urged the Task Force to give particular importance to the following areas: (i) Foreign Affiliate Statistics, particularly outward FATS; (ii) Tourism statistics and the measurement of the contribution of tourism to national and regional economies; (iii) Valuation and pricing; (iv) Research and development

e) Urged the Task Force to place a time frame of the implementation plan so the member countries could plan their implementation process accordingly;

f) Urged that the national implementation programme is carried out as a coordinated effort of national statistical office, central bank and other relevant government agencies;

g) Encouraged all relevant international agencies and the UN regional commissions, especially members of the Task Force, to contribute to the implementation of MSITS2010 and recognized IMF's effort in capacity building on balance of payment statistics;

h) Recognized that training is particularly important in trade in services statistics because of its methodological complexity.

Source: E/2010/24 and E/CN.3/2010/34.

DATABASES AND PUBLICATIONS:

2008 INTERNATIONAL TRADE STATISTICS YEARBOOK, VOL. II - TRADE BY COMMODITY AVAILABLE ONLINE

The *2008 International Trade Statistics Yearbook (2008 ITSY), Volume II - Trade by Commodity* contains detailed tables showing international trade for individual commodities (3-digit SITC groups) and eleven world trade tables covering trade values and indices. Overall, data for a total of 258 commodities are shown in Volume II. The information for 2008 is based on data provided by 139 countries (areas), representing 95% of world trade of 2008.

Compared with the previous yearbook (the 2007 ITSY), the presentation of the information on individual commodities has been re-designed. Instead of detailed tables, now so called commodity trade profiles show an analytical and condensed view of the evolution of trade in a particular commodity by using graphs, overview tables and descriptive text. For more detailed data, users are requested to go directly to UN Comtrade (http://comtrade.un.org/) which is the source of the information presented in the commodity trade profiles.

For this first edition of the redesigned yearbook, the country and commodity tables of the previous editions of the yearbook are provided as additional annexes available online. The yearbook is made available in its parts at http://comtrade.un.org/pb/.

FREE ACCESS TO ADDITIONAL TRADE DATABASES FOR SITE LICENSE SUBSCRIBER OF UN COMTRADE

Since 2009, UN Comtrade Site License subscribers are able to access the *International Trade Database at the Product Level* (BACI) developed by the CEPII (Centre d'Etudes Prospectives et d'Informations Internationales).

BACI sources data from UN Comtrade. Parts of the data are generated using a procedure that reconciles the declarations of the exporter and the importer from UN Comtrade. The objective of this procedure is to extend the number of countries for which trade data are available. BACI provides bilateral values and quantities of exports at the HS 6-digit product disaggregation for more than 200 countries over the period 1995-2007.

As a UN Comtrade Site License subscriber, you may also access the UN Comtrade database through the World Integrated Trade Solutions (WITS):
http://wits.worldbank.org/witsweb

SIGCI+ TRADE MODULE LAUNCHED BY UN ECLAC

The *Interactive Graphic System of International Economics Trends (SIGCI Plus) - Trade Module* of the UN Economic Commission for Latin America and the Caribbean (ECLAC) is an analytical application connected to the UN Comtrade database. The application allows to easily generate graphs, tables and indicators of international merchandise trade statistics.
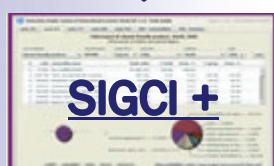
A recent update to the system by our colleagues in ECLAC has added the ability to use "live" data: queries are sent directly to the UN COMTRADE database and data is acquired on the fly, making use of the newest standards of data transmission (xml, SDMX). The result is the best of both worlds: an interactive and eye-catching interface to analyze data and access to the latest available data from UN COMTRADE.

The great strength of the new system is that it does not require a copy of the basic trade data in a separate database at ECLAC and hence, no duplication and synchronization of data sources. Any newly added or revised data will immediately be available and visible to users.

Find out more about SIGCI Plus at http://www.eclac.org/comercio/ecdata/index.html.

Forthcoming in print,

2008 ITSY,
Vol. I - Trade by Country

https://unp.un.org/

BACI

(International Trade Database at the Product Level) is available at:

http://www.cepii.fr/anglaisgraph/bdd/baci.htm

UN comtrade

SIGCI +

COOPERATION WITH COUNTRIES AND AGENCIES:
WORKSHOP ON THE METHODOLOGY AND DATA COMPILATION OF INTERNATIONAL MERCHANDISE TRADE STATISTICS, PHNOM PENH, CAMBODIA, 2-5 FEBRUARY 2010

Info on our technical assistance activities can be found at: http://unstats.un.org/unsd/trade/workshops_imts.htm

This workshop was organized and conducted by the UNSD in cooperation with the United Nations Economic and Social Commission for Asia and the Pacific (UN/ESCAP) and the National Institute of Statistics of Cambodia (NIS) which hosted the event in Phnom Penh from 2 - 5 February 2010. Five countries of South East Asia took part: Cambodia, Lao PDR, Myanmar, Timor-Leste and Vietnam.

The workshop reviewed and discussed the current practices in the collection, compilation and dissemination of IMTS of participating countries and the new international recommendations for IMTS as contained in the draft of *International Merchandise Trade Statistics: Concepts and Definitions, 2010* (IMTS2010). In addition, the participants, with UNSD facilitation, developed a first draft of country specific action plans, which will provide guidance for IMTS compilers in regard to the improvement of IMTS compilation and dissemination, including the implementation of the updated and new recommendations as contained in IMTS2010.

For further details, please see the workshop report and related materials on our website at: http://unstats.un.org/unsd/trade/workshops_imts.htm.

SEMINAR ON INTERNATIONAL TRADE STATISTICS:
FINDING ANSWERS FOR A CHANGING WORLD, NEW CHALLENGES AND OPPORTUNITIES, NEW YORK, 24 FEBRUARY 2010

The seminar on international trade statistics was organized by the UNSD as one of the side events of the 41st session of the UN Statistical Commission. The main purpose of the seminar was to provide countries with additional information on what is new in the revised recommendations for international trade statistics as contained in *International Merchandise Trade Statistics: Concepts and Definitions, 2010* (IMTS2010) and *Manual on Statistics of International Trade in Services 2010* (MSITS 2010). The seminar focused on the opportunities the revised recommendations offer to better capture globalization and to further improve trade statistics but also on the challenges in the implementation of these recommendations.

For detailed information please go to the website of the Seminar at: http://unstats.un.org/unsd/trade/imts/sc/2010/trade_10_seminar.htm
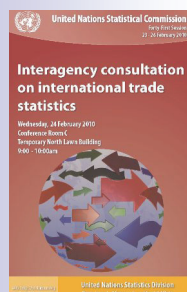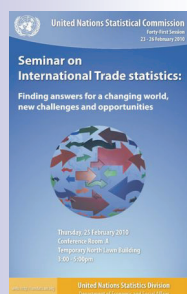
INTER-AGENCY CONSULTATION ON THE FUTURE OF INTERNATIONAL TRADE STATISTICS, NEW YORK, 25 FEBRUARY 2010

The inter-agency consultation on international trade statistics was organized by UNSD as one of the side events to the 41st session of the UN Statistical Commission. The meeting discussed issues relevant to the future of international trade statistics in connection with the implementation of *International Merchandise Trade Statistics, Concepts and Definitions, 2010* (IMTS2010) and the *Manual on Statistics of International Trade in Services 2010* (MSITS2010).

Discussions covered the implementation plans for the new recommendations, the development of compilation guidance and the need for technical assistance and training, especially in the area of statistics of international trade in services.

The meeting report and background documents are available here: http://unstats.un.org/unsd/trade/imts/sc/2010/trade_10.htm

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DISCREPANCY BETWEEN DATA IN HS2002 AND DATA "AS REPORTED"

There is sometimes a difference in some 6-digit data extracted from UN Comtrade between the classification HS2002 (H2) and "As Reported" for the year 2008. Why is it so?

This is due to HS revisions and data conversion. The latest HS revision entered into force on 1 January 2007 and an increasing number of countries are reporting their trade data starting 2007 in the HS2007 classification. When such data is extracted from UN Comtrade using the HS2002 classification, one will receive converted data, meaning, data in each HS2007 code was assigned to a unique HS2002 code. As a result, some HS2002 codes may include data from more than one HS2007 code (or none), creating the discrepancy.

For this reason, UN Comtrade users considering specific 6-digit commodity codes may find it more useful to extract data in the original/reported classification across many reporters and years. Also, users may wish to convert the original data submitted by countries to different classifications according to their own criteria.

All correspondence and conversion tables are available on the UNSD website at http://unstats.un.org/unsd/trade/ conversions/HS%20Correlation%20and% 20Conversion%20tables.htm

CONVERSION TABLE FROM HS TO ISIC

Is there a conversion table from the Harmonized System (HS) to the International Standard Industrial Classification (ISIC)?

A conversion table between the 1988 edition of the HS and the ISIC, Rev. 3 has been developed by the Organisation for Economic Co-operation and Development (OECD) and is available on their website at: http://www.oecd.org/ dataoecd/13/7/41673246.pdf? contentId=41673247.

The conversion table was developed primarily for the STAN Bilateral Trade Database for industrial analysis (BTD), one of the Structural Analysis datasets developed

by the OECD.

The database provides information on bilateral exports and imports of goods in OECD countries, classified by economic activities, partner countries and geographical zones. It can be accessed via OECD's data dissemination service at (requires subscription): http://stats.oecd.org/wbos/ Index.aspx? DatasetCode=STAN08BIS&lang=en. As the conversion is not straightforward users should carefully consider its use.

The Harmonized System 2012 is ready for take off

The WCO has published the agreed amendments to the Harmonized System (HS) nomenclature that will enter into force on 1 January 2012. Find out more on the WCO website at http://www.wcoomd.org/home_wco_topics_hsoverviewboxes.htm

EDITORIAL NOTE

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