ESA/STAT/AC.102

UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION

Expert Group on Distributive Trade Statistics
First Meeting
New York, 22–25 August 2005

Report of the First Meeting

United Nations, New York

2005

Contents

I.   Purpose and organization

1.   The United Nations Statistics Division (UNSD) established the Expert Group on Distributive Trade Statistics (EG-DTS) in order to assist it in the revision of existing United Nations recommendations on distributive trade statistics, published in the *International Recommendations on Statistics of the Distributive Trades and Services* (Statistical Papers, Series M, No. 57, United Nations, New York, 1975), and in updating the UNSD compilation advice contained in the *Organization and Conduct of Distributive-Trade Surveys* (Statistical Papers, Series F, No. 19, United Nations, New York, 1977).

2.   EG-DTS is expected to: (a) provide an assessment of those recommendations and advice, in view of the new realities in distributive trade and current country practices in the compilation of relevant statistics; (b) contribute to the drafting of the revised recommendations and suggest new approaches in data compilation, including the organization and conduct of distributive trade surveys; (c) review the draft United Nations publication, *International Recommendations on Distributive Trade Statistics,* which will contain the new recommendations; and (d) comment on a provisional draft of *Distributive Trade Statistics: Compilers Manual.*

3.   The first meeting of EG-DTS was held from 22-25 August 2005 and it is expected that the second meeting will be held in mid-2007 (the exact dates are not yet finalized). The purpose of the first meeting was to: (a) provide an assessment of United Nations recommendations; (b) advise on the areas where the updating of existing and/or development of new recommendations is needed; and (c) contribute towards such updating/revision. Based on the results of the meeting, UNSD will prepare the draft publications mentioned above during the balance of 2005–early 2007. The second meeting will review those publications.

4.   Apart from procedural and administrative matters, the agenda of the first meeting included a number of substantive items. Those items were arranged to allow UNSD to provide initial background information and for participants to make presentations on current country practices. The agenda included such items as: (a) scope and classifications; (b) statistical and reporting units; (c) data items and their definitions; (d) data sources and data collection methods; (e) indices and performance indicators; and (f) distributive trade statistics and compilation of national accounts. The meeting concluded with a round-table discussion, formulation of the preliminary conclusions and UNSD's outline of future activities.

5.   Participants prepared documents on country practices in distributive trade statistics. Those documents were assembled in the *Compendium of Country Practices* and were presented to the Expert Group.

II.   Summary of the Director of UNSD's opening statement

6.   In his address to participants, Mr. Paul Cheung, Director, UNSD, stated that distributive trade is an important economic activity and that data on such trade is always in high demand. The globalization of national economies has created a need for higher quality and internationally comparable data on distributive trade.

7.   Mr. Cheung informed participants that the first set of recommendations on distributive trade statistics was adopted by the United Nations Statistical Commission in 1958, and were revised and published in 1974. He further stated that since then there has been a significant development in the ways in which distributive trade is conducted by businesses, and classified and compiled by national statistical offices. Consequently, it is imperative that UNSD revise the international recommendations again. Recognizing the growing economic importance of distributive trade, UNSD has made the compilation and analysis of distributive trade statistics one of its priority activities for 2005-2007, and has decided to organize the Expert Group to assist with the revision.

8.   The Director also emphasized that the revised recommendations should be harmonized with revisions in other areas of economic statistics. This would enhance a country's capability to produce data in the most cost-effective manner, and ensure maximum comparability and policy relevance of economic statistics. He informed participants that in addition to this meeting, the Expert Group will conduct the second meeting in mid-2007. Based on the outcome of the first meeting, UNSD will prepare the draft revised recommendations and submit them for review to the second meeting of the Expert Group.

9.   In conclusion, the Director expressed his confidence in the professionalism of the Expert Group and wished them a productive and successful meeting.

III.   Evaluation

10.   In general, the participants concluded that the Expert Group meeting was very well organized and that it provided valuable information for the collection of distributive trade statistics: 89 per cent thought that the overall organization of the meting was very good or excellent; 78 per cent were satisfied with the travel arrangements and accommodation; 83 per cent were satisfied with the conference facilities but said that the sound quality of the speaker system could be improved. The participants all thought that the sessions were either, good, very good or excellent; 72 per cent were satisfied with the topics covered and 89 per cent said they learned something new on current practices in distributive trade statistics. They found the discussions comprehensive and interesting, and agreed that the Expert Group should meet again in order to judge the progress and implementation of the conclusions of the first meeting.

IV.   Conclusions

A.   General

11.   The Expert Group concluded that there is an apparent need to revise the current international recommendations on distributive trade statistics in order to reflect new developments in the distributive trade sector, changing data needs, availability of new data sources, data-collection methods, and recent revisions to international recommendations in other areas of economic statistics.

12.   Agreed that the revision of the conceptual framework and compilation methods of distributive trade statistics should be seen as part of building an integrated economic statistics

programme. Cooperation with other forums, in order to ensure consistency of distributive trade statistics with other economic statistics, is part of the revision process.

13.   Endorsed UNSD's initiative to revise international recommendations on distributive trade statistics during 2005-2007 and also endorsed its programme of work, including objectives, proposed action and schedule for the revision process.

14.   Emphasized that the introduction to the revised recommendations should include an unambiguous text on the importance of distributive trade statistics for policy-making, analysis of economic trends, compilation of national accounts, and market and competitive research. Reference to the principles of official statistics should also be made.

15.   Concluded that there should be one set of recommendations, without making a distinction between developed and developing countries, which will:

        (a)   Provide a uniform conceptual framework, allowing for some flexibility in its implementation to take into account varying levels of country's statistical capacity and available resources;

        (b)   Identify preferred compilation practices and alternative options, depending on specific country circumstances and needs;

        (c)   Focus on basic concepts and definitions, policies and approaches to data compilation and dissemination. Technical issues should be considered in a separate publication(s) (e.g., Compilers Manual).

16.   Agreed that there should be a mechanism for monitoring developments in distributive trade statistics, including changes in country practices, and implementation of future recommendations of the United Nations Statistical Commission.

B.   Scope and coverage of distributive trade statistics

17.   Agreed that the scope of distributive trade statistics should include wholesale trade, retail trade, and repair of motor vehicles and motorcycles. The revised recommendations should provide standard operational definitions of their scope in terms of ISIC, Rev.3, Rev.3.1 and Rev.4. Countries not using ISIC should provide similar definitions in terms of their national industrial/activity classifications.

18.   Recommended that countries should compile data at the most detailed level possible, with compilation of separate data for (a) wholesale trade, except of motor vehicles and motorcycles, (b) retail trade, except of motor vehicles and motorcycles and (c) wholesale and retail trade and repair of motor vehicles and motorcycles as a minimum.

C.   Treatment of distributive trade in ISIC and CPC

19.   Expressed concern about the practical difficulties faced in classifying some borderline cases, both in terms of ISIC and national industrial/activity classifications. Recommended

that the boundaries between wholesale/retail trade, manufacturing/wholesale, manufacturing/retail trade, wholesale/services and retail trade/personal services should be reviewed and described in the most unambiguous way; for example, more complete guidance related to the treatment and uniform classification of units involved in outsourcing across countries. The new recommendations should be consistent with those of the System of National Accounts.

20. Recommended the compilation of several broad and internationally comparable product categories in distributive trade. A feasibility study of the compilation of such groupings in terms of activity classifications, product classifications (e.g., CPC) and functional classifications (e.g., COICOP), should be conducted.

D. Statistical and reporting units

21. Recognized that the choice of the appropriate statistical unit depends on types of inquiries, variables collected, periodicity of information etc. Noted the requirements of the 1993 System of National Accounts, which uses the establishment for the collection of production-type data and the enterprise for the collection of financial-type data. Agreed that analysis of several typical cases would be useful and should be considered.

E. Data items and metadata

22. Concluded that a standard set of data items recommended for annual compilation should be defined (countries, of course, will be encouraged to compile any additional data items for their own national use). Definitions of data items should be consistent with the definitions already approved by UNSD in related areas (e.g., System of National Accounts, Labour Statistics etc.). However, where necessary, those definitions could be adjusted to reflect the peculiarities of distributive trade statistics.

23. Agreed that high priority should be given to the identification and collection of data items needed by the distributive trade industry and by compilers of national accounts.

24. Concluded that the new recommendations on data items should:

(a) Provide operational descriptions of data items, as close as possible to business accounting practices, to facilitate data reporting;

(b) Be restrictive regarding the number and nature of variables to be collected, in order not to increase the reporting burden and, consequently, inadvertently decrease the quality of the reported information.

(c) Identify a minimum standard set of short-term indicators on distributive trade to ensure international comparability and monitoring of the global markets. The implementation of quarterly and monthly surveys is highly desirable for compilation of both short-term indicators and quarterly national accounts.

25.   Recommended that the compilation of data items be complemented with reporting of the appropriate metadata. Posting of metadata, along with the statistical indicators, will improve transparency and international comparability. In this context, a review of the existing practices of metadata reporting should be conducted.

F.   Dissemination

26.   Agreed that recommendations on data dissemination should be drafted. Those recommendations should deal with, for example, such issues as release calendars and dissemination of data quality indicators (e.g., response rates, sample size, standard error, etc.). Similar recommendations, applicable in other areas of statistics and/or issued by other international organizations, should be reviewed (e.g., IMF SDDS/GDDS standards). Recommendations should encourage data compilers to be proactive in educating users, working with various user groups and gaining their support.

G.   Data sources and data compilation methods

27.   Concluded that there is a clear need to review the current approaches to data compilation and data sources and to:

(a)   Maximize the use of information existing in administrative data sources with the aim of reducing costs and respondents' burden. Consider signing formal agreements with other governmental agencies to ensure access to such sources. Be aware of administrative data-source limitations (e.g., purpose of data collecting is different, definitions of variables might not correspond to the statistical recommendations, scope and quality of data can vary significantly; confidentiality is another issue to be considered);

(b)   Recognize the business register as an indispensable tool for effective data collection and actively participate in its maintenance/creation;

(c)   Encourage linked coding within the framework of the business register of statistical units, to ensure the possibility of identification of the parent enterprise, for any establishment, whenever applicable;

(d)   Conduct economic censuses in countries where the business register is entirely missing or is at an initial stage of development;

(e)   For those countries with a functioning business register, advise taking a decision on whether to carry out periodic censuses or limit themselves to full-scale annual surveys, taking into account country circumstances and needs;

(f)   Provide more guidelines on how to cover and measure the activities of small units or unincorporated enterprises, and how to deal with their high non-response rate. The problem is of particular importance for developing countries, where the informal sector contributes significantly to GDP. Provide analysis of various survey techniques and make relevant recommendations;

(g)   Undertake reconciliation between low- and high-frequency data i.e., benchmarking the monthly/quarterly data with annual data, or annual data with the benchmark year data, and advise on how to use them in a time series context, the proper benchmark techniques based on numerical approaches (Denton, Bassie method, pro rata distribution etc.), or on statistical modeling approaches and the recommendation of good practices should be considered;

(h)   Compile, to the extent possible, statistics at the subnational level, and recommend identification of good practices for such compilations;

(i)   Analyse such recent phenomena in distributive trade as electronic commerce, internationalization and concentration, and recommend appropriate methods to capture them.

28.   Apply modern IT (such as on-line reporting, reply scanning, in-built validation and other controls, web publishing, etc.) to streamline and improve the efficiency of data capture, data processing, and dissemination.

H.   Indices and performance indicators

29.   Concluded that there is a need for outlining basic recommendations regarding compilation of indices and performance indicators. Proposed having a number of paragraphs/chapters that elaborate on general approaches to the compilation of such indices and indicators. More specifically, the Expert Group recommended:

(a)   Compilation of such indices as Index of Retail Trade, Index of Wholesale Trade (turnover);

(b)   Compilation of indices at certain (agreed) level of commodity and industry breakdown, to respond to the national accounts and markets monitoring needs. Apply cascading priority to the tasks in this area, i.e., give the highest priority to compilation of indices of higher level aggregates;

(c)   Compilation of data in constant prices (volume measurement) using, for example, Retail Trade Price Index and Wholesale Trade Price Index or other deflators; a review of the pros and cons for various deflators should be provided;

(d)   Review of national methodologies on constant price data estimation and harmonize them with the aim of improving international comparability;

(e)   Cooperation with other national agencies, if necessary, to develop a viable trade index numbers and volume measurement programme.

30.   Creation of a list of performance indicators useful to the distributive trade industry and for analytical purposes (e.g., inventory/sales ratio, sales per space, margin/turnover sales per person employed, etc.); review such a list and recommend selected indicators for international reporting.

I.   Seasonally adjusted data

31.   Recognized the importance of seasonally adjusted data (monthly and quarterly) and recommended their compilation and use whenever appropriate. The future Compilers Manual should provide a review of good practices in compilation of seasonally adjusted data. The description of such techniques should be included in the metadata to increase transparency in the compilation of the seasonally adjusted series.

J.   Estimations, imputations and adjustments

32.   Recognized that making estimations, imputations and adjustments is an inseparable part of the current statistical work and that the proper description of methods used, for this purpose, will enhance the credibility of statistical data. Suggested that appropriate metadata should be developed to improve both quality and international comparability.

K.   Distributive trade statistics and compilation of national accounts

33.   Concluded that since national accounts are one of the main users of distributive trade statistics, a thorough review of the variables needed for their compilation should be conducted. The list of recommended data items should incorporate such variables, to the extent possible, and assign high priority for their collection.

34.   Recommended, in view of the above, to assess the applicability of CPC/COICOP classifications in inquiries about traded commodities, especially in context of the extensive use of distributive trade statistics, for the compilation of production account aggregates and for the estimation of final household consumption.

35.   Appreciated the experience of some countries in the compilation of Trade Satellite Accounts and encouraged those countries that are in a position, or have specific needs, to develop them. Noted, in this connection, that the compilation of such accounts is beyond the scope of the minimum recommended set of accounts and tables.

L.   Arrangements for future work

36.   Agreed that the Expert Group will continue its work as an electronic discussion group to assist UNSD in drafting the revised International Recommendations on Distributive Trade Statistics and Compilers Manual. The Expert Group will actively participate in drafting the recommended proposals and will prioritize them and assess the feasibility and implications of each possible recommendation for data compilation. Special attention will be given to the identification of a minimum set of recommended variables, for compilation and international reporting.

37.   Asked UNSD to create an appropriate website to facilitate future discussions and to act as a moderator of the Expert Group meeting.

38.   Agreed to assist UNSD in making arrangements with countries on data and metadata transmission to it, for inclusion in the future United Nations database.

39.   Agreed to provide a comprehensive review of the new draft recommendations at its second meeting.

ANNEX I

AGENDA

Monday, 22 August

Morning session: 10:00 a.m. – 12:00 p.m.

Chairman: Mr. Vladimir Markhonko (UNSD)

1.   Opening statement by Mr. Paul Cheung, Director, UNSD

2.   Administrative matters and introduction of participants.

3.   Adoption of the agenda.

4.   A summary of country practices in distributive trade statistics and the programme of work of UNSD in this area.

- *UNSD presentation*

- *Open discussion*

Afternoon session: 1:30 p.m. – 5:00 p.m.

Chairman: Mr. Prahlad Kumar (India)

5.   Current country practices.

- *Country presentations:*

  Canada
  China
  United Kingdom
  Philippines
  India

- *Open discussion*

Tuesday, 23 August

Morning session: 9:00 a.m. – 12:00 p.m.

Chairman: Mr. Prahlad Kumar (India)

6.   Scope and classifications.

      (a)   Scope of distributive trade statistics – UNSD presentation

      (b)   Treatment of distributive trade statistics in ISIC and CPC-UNSD presentation

      (c)   Country discussants*:*

        Mexico
        Iran
        Ukraine

      (d)   Open discussion

7.   Statistical and reporting units.

      (a)   UNSD presentation

      (b)   Country discussants:

        Ghana
        South Africa
        Trinidad and Tobago

      (c)   Open discussion

Afternoon session: 1:30 p.m. – 5:00 p.m.

Chairman: Mr. Prahlad Kumar (India)

8.   Data items, data sources and data-collection methods.

      (a)   *Country presentations:*

        USA
        Poland
        The Russian Federation

      (b)   Open discussion

(c)   Data items and their definitions – UNSD

(d)   Open discussion

(e)   Data sources and data collection methods – UNSD

(f)   Open discussion

Wednesday, 24 August

Morning session: 9:00 a.m. – 12:00 p.m.

Chairman: Mr. Lyndon Morgan (United Kingdom)

9.   Indices and performance indicators.

(a)   UNSD introduction

(b)   Country presentations:

Retail Trade Index, Denmark
Index of Sales of Consumption goods, Chile

(c)   Country discussants:

USA
Canada
France
Denmark

(d)   Open discussion

Afternoon session: 1:30 p.m. – 5:00 p.m.

Chairman: Mr. Lyndon Morgan (United Kingdom)

10.   Distributive trade statistics and compilation of the national accounts.

(a)   Country presentation

Trade Satellite Accounts, France

(b)   Country discussants*:*

Mexico
Philippines
Peru

      (c)   Open discussion

      (d)   UNSD presentation

      (e)   Open discussion

Thursday, 25 August

Morning session: 9:00 a.m. – 12:00 p.m.

Chairman: Mr. Lyndon Morgan, United Kingdom

11.   A round-table discussion – good practices and problem areas specific to distributive trade statistics.

      (a)   Country discussants:

              USA
              India
              Poland

      (b)   Open discussion

12.   A round-table discussion – linkages with other basic economic statistics/sectoral statistics.

      (a)   Country discussants:

               Canada
              Philippines
              France

      (b)   Open discussion

Afternoon session: 1:30 p.m. – 5:00 p.m.

Chairman: Mr. Lyndon Morgan (United Kingdom)

13.   Towards the revised United Nations recommendations: preliminary conclusions and future activities.

      (a)   UNSD introduction

      (b)   Open discussion

14.   Evaluation of the meeting.

15.   Conclusion of the meeting.

ANNEX II

LIST OF PARTICIPANTS

Canada

1.   Richard Evans
        Director, Distributive Trades Division
        Statistics Canada
        Ottawa, Canada
        e-mail: Richard.Evans@statcan.ca

2.   Mr. Renato Rasia
        Chief, Frame and Development Section
        Distributive Trades Division
        Statistics Canada
        Ottawa, Canada
        e-mail:ron.Rasia@statcan.ca

Chile

3.   Mr. Leonardo Nuñez
        Analyst
        Instituto Nacional de Estadisticas, Depto. De Comercio y Servicios
        Santiago, Chile
        e-mail: Leonardo.nunez@ine.cl

China

4.   Ms. Yan Du
        Assistant Consultant
        National Bureau of Statistics
        Beijing, China
        e-mail: duyan@stats.gov.cn

Denmark

5.   Ms. Natalia Cherevichenko
        Head of Section
        Retail Trade Index
        Statistics Denmark
        Service Sector
        Denmark
        e-mail: nac@dst.dk; natcat@tiscali.dk

Egypt

6.   Mr. Hassan Hassanin
Director of Trade
CAPMAS
Cairo, Egypt
e-mail: capmas_presaffr@hotmail.com

France

7.   Ms. Odile Bovar
INSEE
Paris, France
e-mail: odile.bovar@insee.fr

Ghana

8.   Mr. Anthony Amuzu
Head, External Trade Statistics
Ghana Statistical Service
Accra, Ghana
e-mail: amuzua@yahoo.com

India

9.   Mr. Prahlad Kumar
Director
I.S. Division, CSO
New Delhi, India
e-mail: dircsoasi@nic.in

Iran (Islamic Republic of)

10.   Mr. Mohammadreza Doostmohammadi
Director General
Department of Trade Statistics General
Statistical Centre of Iran, Tehran
e-mail: doostmohammadi@sci.org.ir

Mexico

11.   Mr. Francisco Ardavin-Perez
       Director
       National Accounts and Economic Statistics
       INEGI, Mexico
       e-mail: francisco.ardavin@inegi.gob.mx

Peru

12.   Mr. Jose Alberto Garcia Zanabria
       National Director of National Accounts
       National Institute of Statistics and Informatics
       Lima, Peru
       e-mail: jose.garcia@inei.gob.pe

Philippines

13.   Mr. Romulo Virola
       Secretary General
       National Statistical Coordination Board
       Makati City, Philippines
       e-mail: ra.virola@nscb.gov.ph

Poland

14.   Ms. Malgorzata Dytman
       Director of Department
       Central Statistical Office
       Warsaw, Poland
       e-mail: m.dytman@stat.gov.pl

Russian Federation

15.   Mr. Alexander Kevesh
       Deputy Head of Federal State Statistics
         Service of the Russian Federation (ROSSTAT)
       Moscow, Russia
       e-mail: kevesh@gks.ru

Thailand

16.   Ms. Chalermkwun Chiemprachanarakorn
Socio-economic Statistician
National Statistical Office
Bangkok, Thailand
e-mail: kwunny@nso.go.th

Trinidad and Tobago

17.   Mr. Clifford Lewis
Senior Statistician
Central Statistical Office
Trinidad and Tobago
e-mail: natincom@wow.net

Ukraine

18.   Mr. Anatoliy Fryzorenko
Director, Trade Statistics Directorate
State Statistics Committee of Ukraine
Kiev, Ukraine
e-mail: r.vnukov@ukrstat.gov.ua; i.kuzmina@ukrstat.gov.ua

United Kingdom

19.   Mr. Lyndon Morgan
Head of Index of Services
Office for National Statistics
Newport, South Wales
United Kingdom
e-mail: Darren.morgan@ons.gov.uk

United States of America

20.   Ms. Anne Russell
Assistant Division Chief for Retail & Wholesale Indicator Programs
U.S. Census Bureau
Washington, D.C.
e-mail: anne.s.russell@census.gov

United Nations Statistics Division

21.   Mr. Vladimir Markhonko
Chief, Trade Statistics Branch
United Nations Statistics Division, DESA
e-mail: markhonko@un.org

22.   Ms. Greta Salsbury
Statistician, UNSD/DESA
e-mail: salsbury@un.org

23.   Ms. Youlia Antonova
Statistician, UNSD/DESA
e-mail: antonova@un.org

24.   Mr. Marco Lancetti
UNSD Consultant
e-mail: lancetti@pt.lu