ISSUES RELATED TO THE WORK OF THE TASK FORCES

TASK FORCE ON INTERNATIONAL TRADE STATISTICS

Report by WTO (Convenor of the Task Force)

A. Follow-up on decisions by the Statistical Commission

(a) The revised concepts and definitions

The Statistical Commission adopted the draft revised concepts and definitions for international merchandise trade statistics (PROV/ST/ESA/SER.M/52/Rev.2).

(b) Compiler’s Manual

The drafting of the Compiler’s Manual being the first priority for the Statistical Commission, UNSD is preparing a work plan for circulation to the Members of the Task Force. The proposed approach, whereby the Manual would be developed as a synthesis of available manuals and amended to comply with the revised concepts and definitions, was well received by the Task Force Members.

As regards the overall procedure, UNSD informed the Task Force that the Manual would not have to go to the Statistical Commission for acceptance, nor is an expert group required to be chaired by a country’s representative.

(c) Customs Areas of the World, Revision 3

The Statistical Commission has given second priority to the revision of the United Nations publication Customs Areas of the World. UNSD will prepare an outline that will be sent to Members of the Task Force for review and then to relevant country authorities accompanied by a list of questions to ensure a detailed and standardised definition of each customs area. The Statistical Commission had agreed that the reporting country, when indicating a partner, should accept the partner’s definition of its customs area.

(d) Index numbers of International Trade: Technical Information

Following the decision of the Statistical Commission that technical information on construction of index numbers of international trade be provided to countries (third priority), UNSD intends to begin work on this issue during the next two years. As a first step, UNSD will (i) review the existing UN publications, and (ii) collect and analyze information on country

1The last meeting of the Task Force was held on 19-20 March 1997.
practices in index numbers construction and use. A more definitive statement and an outline will be presented at the next meeting of the Task Force.

B. Flow of data among international organizations

(a) Use by UNSD of IMF monthly data

Regarding aggregate imports and exports in national currency, UNSD continues to use all series reported to the IMF and published in the IFS since the reconciliation exercise was completed in 1996. However, UNSD continues to collect/estimate data for countries not reporting to the IMF (some 61 countries as of March 1997). UNSD and IMF will continue to explore the possibility of faster data transfer.

UNSD has begun to use the unit value/price and volume (quantum) index number series published in the IFS in national currency. As of February 1997 index numbers series for 51 out of 58 countries available from the IMF are used by UNSD. The series for the remaining 7 countries still need to be updated or reconciled with the MBS series.

Concerning the adoption by UNSD of the IMF series of aggregate import and export values published in the IFS in US dollars, issues that still need to be addressed include the conversion factors, and the relation to US dollars figures in COMTRADE. A report will be prepared for the next meeting of the Task Force.

(b) Differences between annual figures and MBS/IFS and COMTRADE

UNSD continued to review the differences between the annual values of aggregate imports and exports in US dollars stored in COMTRADE with the MBS data (much of which is sourced from the IMF). Since last year's Task Force meeting, UNSD has reviewed cases where the differences from 1990-1995 were 25% or more for at least one year. The next step is to focus on differences that exceed 15%.

A number of differences could be explained and appropriate adjustments could be made either to COMTRADE data or to MBS/IFS totals. To adjust COMTRADE, data by commodity and partner are required. To date, where particularly large differences exist, and a solution is not apparent, the data have been (temporarily) removed from COMTRADE.

(c) Arrangements among EUROSTAT, OECD and UNSD for detailed trade data

This is an effort by EUROSTAT, OECD and UNSD towards common sourcing of commodity trade data to eliminate duplication in processing and to improve the comparability of the data maintained by the three organizations.

The joint proposal is that: (i) OECD and UNSD would take EUROSTAT-processed data for the five European countries that have ceased collecting intra-community imports on a country of origin basis; (ii) UNSD would take OECD-processed data for other OECD countries; and (iii) UNSD would continue to collect and process data for all other countries.

EUROSTAT presented a summary table depicting the methods for the transmission of statistical data on foreign trade. The OECD is currently comparing its data with those from
COMTRADE and informs UNSD of the differences noted. The OECD is exploring the option to source trade statistics from the UNSD. A joint EUROSTAT, OECD, UNSD progress report will be prepared for the next meeting of the Task Force.

C. **COMTRADE: status, plan and user needs**

Although the flow of data into COMTRADE continues to improve as a result of intensive follow-up and from the sharing of data collected by international organizations, it was acknowledged that this is a never-ending effort. As of 31 December 1996, for the most recent two years, there were 174 country periods added to COMTRADE compared to 169 countries added in the two years prior to 31 December 1995. The number of countries in COMTRADE at the end of January 1997 exceeded 100 for all years from 1970 to 1992.

As regards HS data in COMTRADE, the system became fully operational as of 1 November 1995. As of 30 January 1997, 309 country periods were available in COMTRADE compared to 98 country periods a year earlier.

(a) **HS to SITC Rev.2/Rev.3 correlation**

UNSD completed the HS 88 to SITC Rev.2 correlation. As HS 92 differs from HS 88 only marginally, an agreed HS 92 to SITC Rev.2 correlation also exists.

Concerning the HS 96 to SITC Rev.3 correlation, a Revised Version was prepared. However, the correlation for 46 HS codes remains in question of which 44 are in Chapter 72 (Iron and Steel). Consultations with EUROSTAT are continuing.

As regards data conversion from HS to SITC Rev.2 directly or via SITC Rev.3, UNSD will run a few countries using both methods, analyze the results, and report to the Task Force at the next meeting.

According to various tests conducted thus far, the conversion of the data from SITC Rev.1 to SITC Rev.2 did not produce encouraging results. UNSD is still examining the pros and cons of such an undertaking.

(b) **Quarterly data in COMTRADE**

At the last session of the Task Force, at the request of UNCTAD and WTO, UNSD agreed to continue its efforts for collecting quarterly data, but to process these data only on request, while users investigated alternative sources for the quarterly data.

UNCTAD indicated that it would not be adverse to the discontinuation of quarterly data in COMTRADE. WTO also indicated that it would use the OECD Series A and national statistics as an alternative source for the quarterly data. Therefore, UNSD will stop collecting and processing quarterly data.

D. **Estimation methodology**
UNSD has continued to produce estimates for non-reporting countries at the 3-digit level of the SITC by partner country. The latest year of estimates is 1995. Revised estimates for 1991 to 1994 were also made. These estimates were made using the original TESSY programme.

The time for the preparation of estimates of aggregate exports and imports by country has been brought forward from August to May 1997, so that estimates of the world exports/imports for the year 1996 could be published in the June issue of the MBS. Similar estimates made by ECA, UNCTAD and WTO are being received as part of the agreed exchange programme. UNSD would carry an analysis and comparison of the available estimates and provide the Task Force with the results.

E. Trade in military goods

WTO circulated its proposals concerning the possible separate identification in the HS of goods for military use, together with the draft observations of the HS Review Sub-Committee.

Apart from technical discussions on the proposed nomenclature and related descriptors, the Review Sub-Committee stressed that the objective criterion should be substituted for end-use criterion to facilitate the classification of goods by Customs.

WTO will keep the Task Force informed of the deliberations.

F. Other business

(a) National reporting practices

UNSD published National Reporting Practices in International Merchandise Trade Statistics in February 1996. The publication was sent to all countries for information, review, comments and corrections. As of February 1997, 20 countries had provided responses and all corrections were entered into the database.

(b) Time and location of the next meeting

The next regular meeting of the Task Force would take place on 25-26 February 1998 at WCO.