

Proposal for Integrated International Trade Statistics

Integration options

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Contents

1.	<i>Background</i>	2
2.	<i>Integrated Trade Statistics for the 2030 Agenda</i>	2
3.	<i>Management of trade statistics manuals revision</i>	2
3.1.	Separate trade task teams.....	3
3.2.	Single trade task team.....	3
4.	<i>Integrating Trade Task Team and other UNCEBTS task teams</i>	3
5.	<i>Governance</i>	3
5.1.	Option A: centralized approach	3
5.2.	Option B: methodology-oriented approach	4
5.3.	Option C: thematic approach.....	5
6.	<i>Leadership</i>	5
7.	<i>Inter-agency mechanism</i>	5
8.	<i>Collaboration with other relevant working bodies</i>	6
9.	<i>Annex I: DRAFT Task Team Mandate and Deliverables</i>	7
9.1.	Mandate	7
9.2.	Timeline and deliverables.....	8

1. Background

1. In its 52nd session, the United Nations Statistical Commission welcomed the creation of a Trade Task Team (TTT) under the UN Committee of Experts on Business and Trade Statistics (UNCEBTS) on the joint research agenda between business and international trade statistics for the revision of the trade-related standards. The Commission recommended that this new TTT also work on developing new trade-related business indicators integrating international trade-related characteristics of businesses in the statistical business registers, and promoting e-learning training programme on international trade statistics.

2. The Commission requested UNCEBTS to actively coordinate the integration of the work programmes and working methods with the Inter-Agency Task Force on International Trade Statistics (IATF-ITS) as recommended by the Friends of the Chair Group on economic statistics to avoid duplication of work and advance the active collaboration between countries and agencies. The Commission also endorsed revising the International Merchandise Trade Statistics: Concepts and Definitions 2010 (IMTS 2010) and the Manual on Statistics of International Trade in Services 2010 (MSITS 2010), while ensuring consistency with the update of other statistical standards, such as the System of National Accounts and the Balance of Payments and International Investment Position Manual. In addition, the Commission recommended that the Committee take this work forward with the representation and active participation of countries from different regions and international agencies.

2. Integrated Trade Statistics for the 2030 Agenda

3. The 2030 Agenda recognizes international trade as an engine for inclusive economic growth and poverty reduction, and an important means to achieve the SDGs. International trade has interlinkages with the environment; international cooperation; industry, innovation and infrastructure; employment and economic growth; inequality within and among countries; energy and transport sectors; and food security, among others.

4. The recommendation by the Commission to integrate international trade and business statistics is a major step in this direction. To meet the growing user needs of international trade statistics interlinked with the 2030 Agenda, a natural starting point would be to harmonize the concepts and definitions between International Merchandise Trade Statistics (IMTS) and Statistics of International Trade in Services (SITS) in the revised manuals.

3. Management of trade statistics manuals revision

5. In the past revision of the trade statistics manuals, separate and dedicated expert groups on IMTS and SITS were assigned to manage the revisions. However, with the need to improve consistency between IMTS and SITS and given the ongoing effort to integrate international trade statistics work programmes in different entities, including the Inter-Agency Task Force on International Trade Statistics, it may be appropriate to establish a single task team for both domains. A single task team for both IMTS and SITS will naturally create synergies and improve integration. Nonetheless, it may be prudent to establish sub-teams on trade in goods and services to address issues specific to each domain.

6. Ultimately, the question of whether to maintain two separate manuals need to be explored. Shifting to a single manual will enhance consistency within trade statistics as well as with other standards. This will promote coordination, collaboration and integration of work programmes in trade statistics.

7. The pros and cons of the two approaches are outlined below (in sections 3.1 and 3.2).

3.1. *Separate trade task teams*

8. This would maintain the status quo by separating IMTS and SITS revision processes. In practice, statistics of these two domains are compiled separately and, in most countries, by different agencies. That is, expert personnel are also distinct in many countries. Therefore, this option would align with national practices.

9. However, this approach will not be conducive to the integration of statistics of trade in goods and services and, consequently, it would not be possible to have one single manual on trade statistics. In short, this is the path of least resistance as well as least rewards.

3.2. *Single trade task team*

10. Creating a single task team on international trade statistics would strengthen the trend of integration of IMTS and SITS. It would also open-up the possibility of integrating two existing manuals into a single document, therefore seamlessly addressing consistency issues relating to cross-cutting topics such as digital trade, TEC and STEC statistics, among others.

4. Integrating Trade Task Team and other UNCEBTS task teams

11. This document also outlines the possible integration of trade the task team(s) on merchandise trade and trade in services with existing UNCEBTS task teams on a) Business Dynamics, Demography, and Entrepreneurship, b) Capacity Building, c) Exhaustive Business Registers, d) Globalization and Digitalization, and e) Well-being and Sustainability.

12. There can be multiple ways to advance the integration between business and trade statistics work programs in UNCEBTS, considering the new trade task team and existing task teams. The following section on Governance will detail this integration, especially vis-à-vis the management of the revision of the manuals.

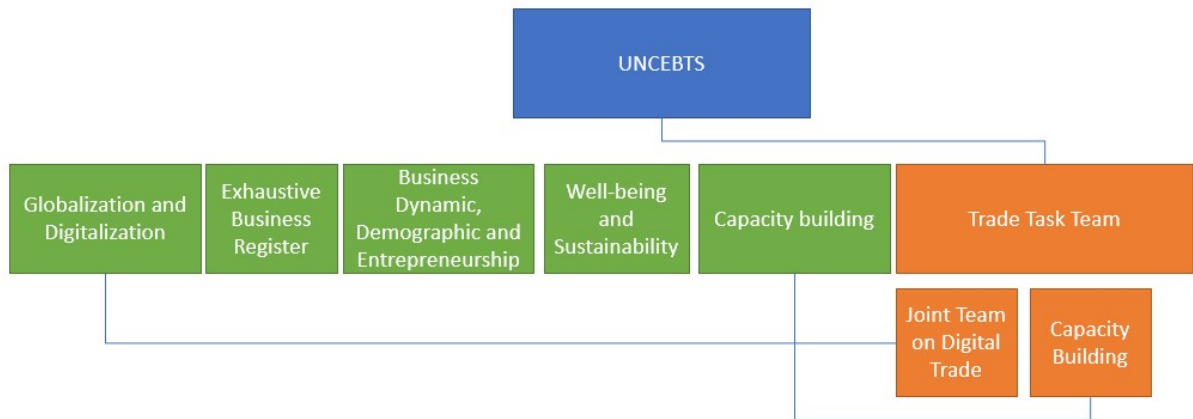
5. Governance

13. Three options are being proposed for the integration of the new trade task team in UNCEBTS. These approaches are described below as Option A: centralized approach; Option B: methodology-oriented approach, and Option C: thematic approach.

5.1. *Option A: centralized approach*

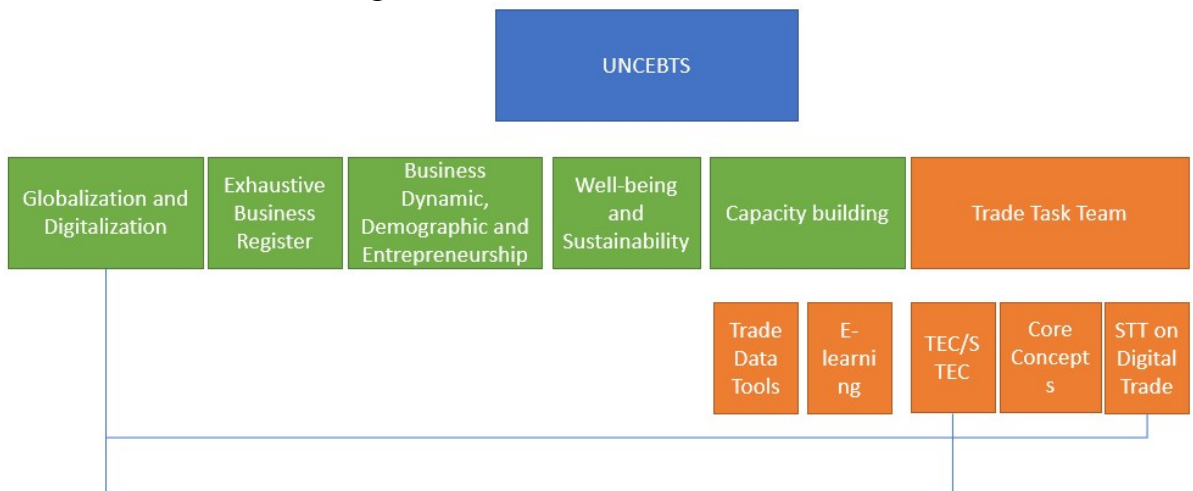
- Establish a dedicated Trade Task Team to handle various topics on methodology, data, and capacity building. To better manage its activities, several sub-task teams would be created to deal with specific activities, including dedicated teams on merchandise and services trade.

- For cross-cutting topics, it is possible to establish a joint sub-task team with relevant task teams on business statistics, such as a sub-task team on digital trade with the task team on *Globalization and Digitalization*.



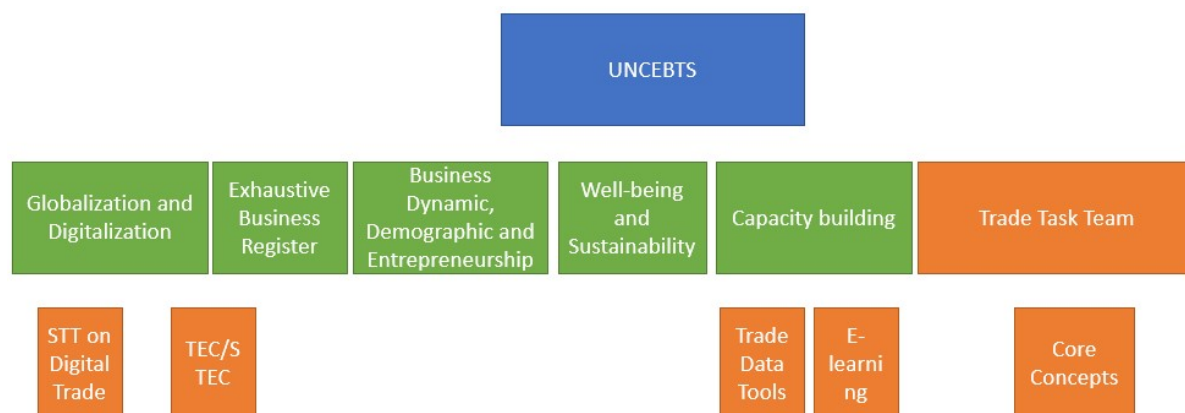
5.2. Option B: methodology-oriented approach

- Establish a methodology-oriented Trade Task Team with the main purpose to manage the revision of concepts and definitions of IMTS 2010 and SITS 2010, including cross-cutting subjects. It is also possible to split the team on merchandise and services trade.
- The work programme on capacity-building would be integrated into the *Capacity Building* task team under UNCEBTS.
- To achieve integration in cross-cutting topics, it is possible to establish joint sub-task teams with relevant task teams on business statistics, such as digital trade with *Globalization and Digitalization*.



5.3. Option C: thematic approach

- Establish a special purpose Trade Task Team to revise the core concepts and definitions of IMTS 2010 and SITS 2010. The cross-cutting topics, such as digital trade, TEC/STEC, would be under relevant UNCEBTS task teams. It is also possible to split the team on merchandise and services trade.
- Coordination would be established among sub-task teams with the main trade task team ensuring coherence



6. Leadership

14. Considering the number of planned trade activities, it is proposed to:

- Reflect on the need for a co-chair for the UNCEBTS to represent trade statistics related workstreams of the Committee.
- Create Trade Task Team and possible sub Task Teams led by representative(s) from the member states and a secretariat led by an international organization (UNSD).
- Reflect on the need for an inter-agency mechanism for business and trade statistics to address areas of mutual concerns (see section 7 for details).
- Create sub-task teams on specific topics such as trade revisions, trade data tools, digital trade, etc. Depending on the chosen option on the integration, sub-task teams may be directly under Trade Task Team or another Task Team.

15. UNSD as the secretariat to the task teams will support the chair(s) of the UNCEBTS and sub task teams on trade and business (joint or core) statistics work programme.

7. Inter-agency mechanism

16. It is proposed that an inter-agency mechanism under the UNCEBTS be established for business and trade statistics to identify emerging conceptual and compilation issues; to address areas of mutual concern such as data collection, validation and exchange of data in international databases such as UN Comtrade, GGR/ADIMA; to coordinate in business and trade statistics-related capacity building activities; and to share experiences and coordinate work programmes. The membership will be open to international and regional organizations

and other interested entities. The chair will be rotated annually among interested organizations.

8. Collaboration with other relevant working bodies

17. UNSC requested a clarification on the working methods of the Trade Task Team with other working bodies on International Trade Statistics such as ISWGNA/AEG, BOPCOM, and IATF-ITS. Moreover, the UNSC encouraged integration of trade statistics related activities and programs in the spirit of coordination and cost-effectiveness. The proposed inter-agency mechanism (described in section 7 above) would provide a clear mechanism to coordinate the activities among international regional organizations in the area of business and trade statistics. In addition, the UNCEBTS actively works to engage with relevant city groups, such as the Wiesbaden group, the Voorburg Group and others, to coordinate the activities and avoid duplication of work.

9. Annex I: DRAFT Task Team Mandate and Deliverables

9.1. *Mandate*

[Applicable to options A, B, and C]

1. *In its 52nd session, United Nations Statistical Commission endorsed revising IMTS 2010 and MSITS 2010 with the representation of countries and international agencies. Further, it welcomes the creation of the Trade Task Team on joint research agenda between business and international trade statistics for the revision of the trade-related standards.*
2. *The Task Team on International Trade Statistics (“The Task Team”) will advance the research agenda for international trade statistics and guide the processes and mechanisms of revising the standards in consultation with relevant stakeholders taking into account the revisions of the SNA and BPM.*
3. *The workstreams of the Task Team will deliver the revision of the International Merchandise Trade Statistics (IMTS) and Statistics of International Trade in Services (SITS) either as an unified single manual or coherent separate manuals on international trade statistics by 2025.*
4. *The revision of international trade standards (IMTS recommendations, MSITS, and their compilation guides) will advance concurrently with the revision of BPM and SNA standards. Furthermore, the revision processes will take into account existing guidelines such as OECD-WTO-IMF Handbook on Measuring Digital Trade, UN Handbook on Accounting for Global Value Chains, etc.*
5. *In the meeting of the United Nations Committee of Experts in Business and Trade Statistics, held virtually in October 2020, there was a recognition of the need for tighter integration between business and trade statistics to support an enterprise-centered approach in economic statistics. Therefore, The Task Team is requested to reflect on the dimension of business statistics in its deliberations.*
6. *[a. **Applicable to option A**] On capacity building and cross-cutting, The Task Team is requested to coordinate with the relevant task team in UNCEBTS to create synergy, avoid duplication and advance integration.*
*[b. **Applicable to option B**] On cross-cutting topics, The Task Team is requested to coordinate with the relevant task team in UNCEBTS to create synergy, avoid duplication and advance integration. On Capacity building, The Task Team is requested to provide inputs and guidance to the responsible UNCEBTS task team.*
*[c. **Applicable to option C**] On Capacity building and cross-cutting topics, The Task Team is requested to provide inputs and guidance to the responsible UNCEBTS task team.*

9.2. *Timeline and deliverables*

7. The deliverables of the Task Team will consist of the update of IMTS Concepts and Definitions, and Manuals on Statistics of Trade in Services by 2025 either as a unified single manual or coherent separate manuals on international trade statistics.
8. Please refer to “2 Proposal for Integrated International Trade Statistics: Research agenda” for the detailed timeline of the revision process.