



STATISTICS

**INTER SECRETARIAT
WORKING GROUP ON
NATIONAL ACCOUNTS**

Valuation of Imports and Exports of Goods: Second Stage Survey Results (BOPCOM 21/02)

Joint (Virtual) Thirty-Seventh Meeting of the IMF Committee on Balance of Payments Statistics and Seventeenth Meeting of the Advisory Expert Group on National Accounts

October 26–November 1, 2021

Outline

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- GZTT G.1: Second Stage of Testing
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Thank you

- Margarida Martins (primary drafter, IMF)
- Saturo Hagino (GZTT member)
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- GZTT/CATT for their comments and review
- AEG and Committee members previous inputs
- UNSD for running the survey
- All economies that participated in the global consultation

Introduction

GZTT G.1 Valuation of Imports and Exports of Goods in the International Standards (CIF to FOB Adjustment)

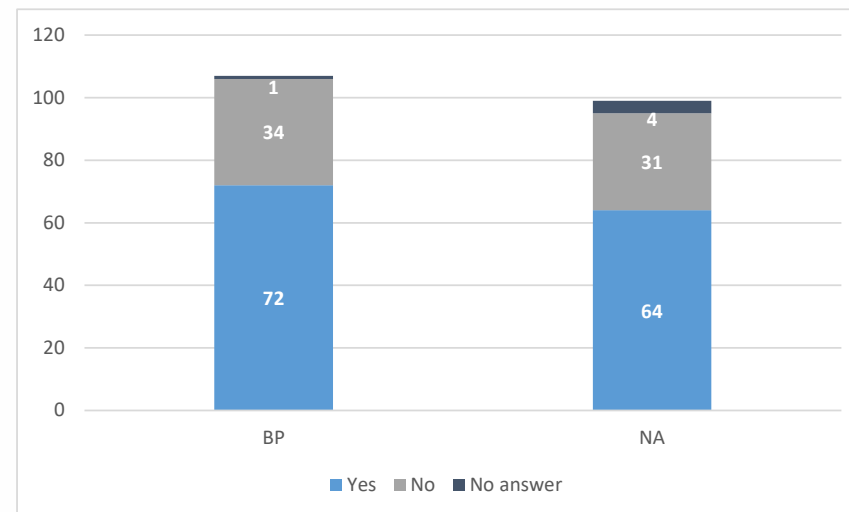
- **The 2008 SNA recommends recording of imports and exports of goods at FOB values. This recommendation is consistent with *BPM6*.**
 - ▶ However, the FOB recording is not fully reconciled with the principle of output valuation at basic prices used for domestic transactions in the 2008 SNA.
 - ▶ In later years, different authors suggested the use of transaction (invoice) values.
- **GZTT GN G.1 puts forward three options to solve this apparent inconsistency.**
 - ▶ **Option 1:** changing the recommended treatment of domestic transportation back to the recommendations in the 1968 SNA.
 - ▶ **Option 2:** maintaining the recommendation of the 2008 SNA to record imports and exports using an FOB-type valuation (*status quo*).
 - ▶ **Option 3:** changing the SNA recommendation for the valuation of imports and exports to the observed transaction value.
- **Two stages of testing took place to assess the practical feasibility of recording imports and exports of goods at their observed transaction value.**

GZTT G.1: First Stage of Testing (1)

GZTT G.1 Stage 1 of testing during Q1 2021 to assess the practical feasibility of recording imports and exports of goods at their observed transaction value.

- ▶ 120 economies submitted complete answers (75 BP and NA, 32 BP, and 24 NA)
- ▶ 43 economies agreed to be contacted for Stage 2 of testing
- **On a conceptual level**, the majority of respondents support the recommendation to adopt invoice (transaction) values for the valuation of imports and exports of goods in the national accounts and balance of payments statistics.

Support the use of invoice values on a conceptual level, by statistical domain

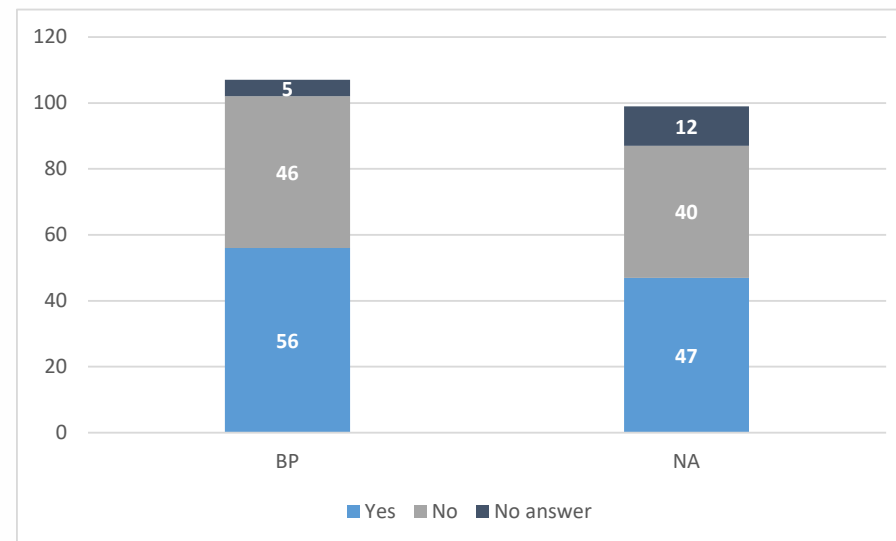


GZTT G.1: First Stage of Testing (2)

GZTT G.1 Stage 1 of testing :

- ▶ **On a practical level**, only around half of the respondents reported that their agency had access to the information on invoice (transaction) values necessary for balance of payments or national accounts compilation.

Access in practice to invoice (transaction) values for BP or NA compilation by the compiling agency, by statistical domain

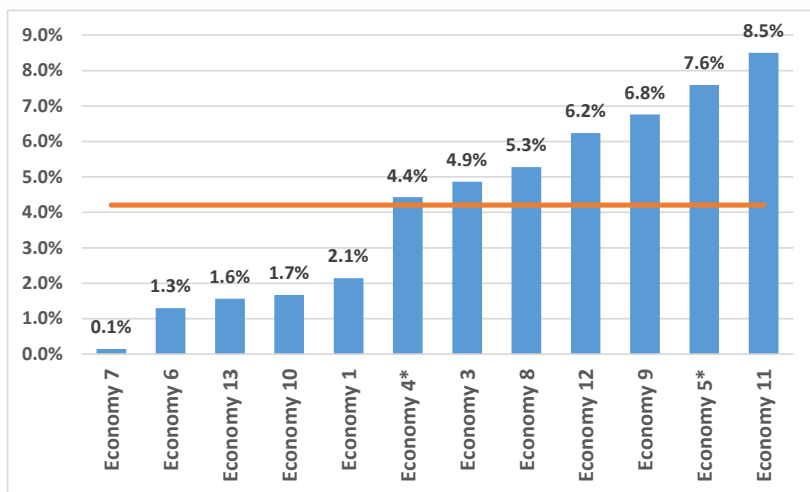


GZTT G.1: Second Stage of Testing (1)

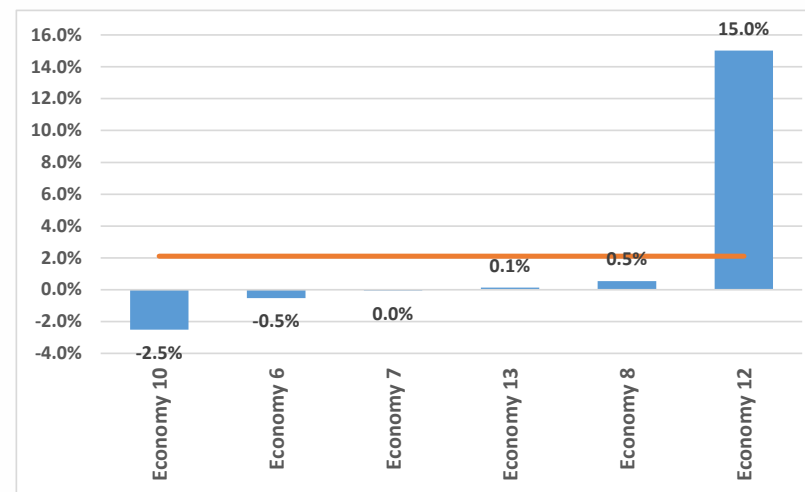
GZTT G.1 Stage 2 of testing from Jun–Sep 2021 to assess the impact of adopting invoice (transaction) values for the valuation of imports and exports of goods.

- ▶ **Imports of Goods:** 12 economies tested the difference between the CIF and transaction (invoice) valuation: reported impact spans from 0.1 to 8.5 percent
- ▶ **Exports of Goods:** 6 economies tested the difference between FOB and transaction (invoice) valuation: reported impact spans from -2.5 to 15 percent

Imports of Goods



Exports of Goods



GZTT G.1: Second Stage of Testing (2)

GZTT G.1 Stage 2 of Testing – Main Results:

- ▶ **HS chapters:** the results show a significant heterogeneity of impacts by HS chapter, that is reduced when only the 5 main imports/exports of goods for each economy are considered.
- ▶ **Delivery terms:** a diversity of delivery terms is reported, with significant differences in the shares across economies.

Next Steps

GZTT to finalize the Guidance Note considering the feedback from the discussion.

Questions for Discussion

- *Taking into consideration the testing results, does the AEG and the Committee agree that from a practical perspective, it is not feasible to adopt invoice values (Option 3)?*
- *Does the AEG and the Committee agree that at this stage, given the implementation difficulties, it is practical to maintain the status quo – Option 2 so as not to disturb the consistent treatment between the SNA and BPM?*
- *Does the AEG and the Committee agree with mentioning in the update that although Option 3 is conceptually sound, the status quo is the default recommendation on account of practical implementation difficulties?*
- *Would the AEG and the Committee recommend a future collection of Invoice data (through the International Merchandise Trade Statistics (IMTS)) to try to quality assure this series?*

Thank you