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INDUSTRIAL, ENERGY, TRANSPORT AND INTERNATIONAL TRADE STATISTICS: INTERNATIONAL TRADE STATISTICS

International trade statistics; concepts and definitions

Report of the Secretary-General

INTRODUCTION

1. At its twentieth session, the Statistical Commission requested that "Detailed proposals for the revision of concepts and definitions be examined by an expert group and that the Secretary-General submit a report on the revised recommendations to the Commission at its twenty-first session". 1/ The draft revision of International Trade Statistics; Concepts and Definitions 2/ takes account of the views of two expert groups, one of which met in December 1977 and the other in March-April 1980, and is in accordance with the general guidelines set by the Commission. The draft of the future publication, 3/ issued in a limited number of copies, will be sent to Commission members and participants.

I. RECOMMENDATIONS

2. The draft revision presents in detail various recommendations for the collection, preparation and dissemination of international trade statistics at the national level. The present document summarizes the recommendations.

^{1/} Official Records of the Economic and Social Council, 1979, Supplement No. 3 (E/1979/23), para. 36 (e) (i).

^{2/} United Nations publication, Sales No. E.70/XVII.16.

^{3/} Statistical Papers, Series M, No. 52, Rev.l.

A. Coverage of the statistics

- 3. As a general guideline, merchandise in international trade should include goods which add to or subtract from the stock of material resources in a country as a result of their movement into or out of the country. Consequently the term merchandise need not be confined to goods which are the subject of a commercial transaction, e.g., a change of ownership, but should cover all goods which meet the above criterion. It should be noted, however, that rigid application of this criterion would lead to the inclusion of inappropriate movements of goods in certain instances.
- 4. From the definition above, it is possible to distinguish the type of goods that are to be (a) included in the statistics, (b) included in or excluded from the statistics but separately recorded and (c) excluded from the statistics.
 - (a) Goods to be included
 - (i) Non-monetary gold;
 - (ii) Trade on government account;
 - (iii) Military equipment;
 - (iv) Electricity and water;
 - (v) Parcel post;
 - (vi) Transactions which represent a service transaction rather than a traditional movement of typical merchandise;
 - (vii) Transactions in which one or both national boundaries are not crossed (marine vessels and aircraft, bunkers and fish; trade of equipment to and from the continental shelf and of mined products from international waters).
 - (b) Goods to be included or excluded but, if possible, separately recorded
 - (i) Goods for processing, improvement and repair trade. The value of goods for processing should be included, whereas that of repair and improvement should be excluded but separately recorded.
 - (ii) Goods on lease. Goods imported on a lease of less than one year should be excluded but separately recorded. Goods leased for one year or more should be included.
 - (c) Goods to be excluded
 - (i) Goods consigned by a Government to its armed forces and diplomatic representatives abroad;

- (ii) Monetary gold;
- (iii) Securities, bank notes and coins in circulation;
- (iv) Goods on temporary admission.

B. Trade system

5. It is recognized that different uses of the statistics require different concepts and that there is no merit in recommending either the special or the general trade system. Any change from one to the other system would require important administrative adjustments, which may prove impractical for many countries. It is therefore recommended that countries utilizing either the special or the general trade system should compile, on a yearly or quarterly basis, statistics on merchandise imported into or exported from customs warehouses or free zones, with full geographical breakdowns. This should be done in sufficient detail to allow the flows of merchandise to be analysed by the group (three digit) of the Standard International Trade Classification, Revision 2 (SITC, Rev.2).

C. Commodity classification

6. It is recommended that countries which so far have failed to do so should report their international trade statistics according to either SITC, Rev.2 or to the Customs Co-operation Council Nomenclature (including the statistical subheadings necessary for the one-to-one correlation between the two nomenclatures).

D. Valuation

- 7. It is recommended that the rules set out in the Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade (GATT) should be applied by all countries or reporting areas. Countries that cannot apply GATT rules should, on a transitional basis, continue to apply the Brussels definitions of values.
- 8. It is recommended that the basis of valuation for imports should be the value at the border of the importing country (cif value) and that for exports should be the value free on board or free on rail or road vehicles at the border of the exporting country (fob value).

E. Quantity measurement

- 9. It is recommended that quantum figures should be on a net basis (the weight of goods, including any packing, normally going to the buyer on a retail sale).
- 10. It is recommended that figures on a gross basis (including packing, but excluding carrier's equipment) should be obtained from net weights through sampling.

ll. It is recommended that for ships the quantity units should be recorded, namely, (a) number of ships, (b) gross registered tons, (c) dead weight tons. For aircraft, the number of planes and their carrying capacity should be recorded in terms of number of seats and kilograms.

F. Partner countries

12. It is recommended that in the case of imports, the country of origin should be recorded. In addition, information on the country of consignment should be collected. In the case of exports, the country of the last known destination is recommended.

G. Other recommendations

- 13. Recording period. It is recommended that the Gregorian calendar year should be accepted as the standard reference period for trade statistics and that the calendar month should be employed as the standard reference period for statistics tabulated monthly.
- 14. Periodicity. It is recommended that countries which are publishing trade statistics on an annual basis only should compile quarterly data and monthly data for those individual commodities which are important in their trade. In publishing trade data, it is recommended that all countries, in addition to presenting data for the most recent month or quarter, should also publish cumulative data for the elapsed months or quarters of the calendar year.
- 15. <u>Computation of international trade index numbers</u>. It is recommended that countries that are not yet computing international trade index numbers should do so as soon as possible.
- 16. External trade by mode of transport. It is recommended that countries which do not yet collect or publish import and export data by mode of transport should do so. Owing to the importance of maritime transport in the trade of developing countries, it is recommended that statistics on this mode of transport should be given the highest priority.

II. POINTS FOR DISCUSSION

17. The Commission may wish to review the draft revision of <u>International Trade</u>
Statistics; Concepts and Definitions to request that it be published and to suggest directions for further work in that field of statistics.