Integration Dimensions

Vertical dimension of integration, including statistics of trade in merchandise, statistics of trade in services, other statistical frameworks and indicators

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1. the context, motivation and objectives
2. revision strategy
3. Vertical Integration
   • upstream harmonization: BPM and SNA linkage and revision impact
   • downstream integration with the various data sources
4. conclusion: Ongoing work and next steps
Global context

The economic impact of COVID-19 took the form of shocks:

- global supply and demand were severely affected,
- global supply chains have been disrupted
- world trade has fallen sharply

The consequences and challenges for jobs and businesses are enormous knowing that activity and employment are the results not only of domestic demand, but also the results of the circulation of goods, services and capital between the national economy and the partners.
Motivations and objectives

• In this context, International trade statistics are essential, indicate the level of recovery of production activities, employment and investment.

• International trade is considered as an engine for an inclusive economy according to the 2030 agenda recommendations.

• meet the users needs of international trade statistics is therefore linked to the 2030 Agenda
The key element of the revision strategy is to consider a Vertical and Horizontal integration of ITS.

**Vertical integration**
- upstream harmonization of ITS with macroeconomic statistical frameworks, including BPM and SNA
- downstream integration with the various data sources, including customs, administrative and survey data

**Horizontal integration**
- Globalization
- Digitalization
- Well-being & Sustainability
- Extended business registers
Vertical Integration: Research topics

Topics identified

- V.1 Scope of IMTS and SITS (goods and services)
- v.2 Impact of the BPM updates ((goods and services)
- v.3 Bilateral trade asymmetry (goods and services)
- v.4 Informal Cross Border Trade (Goods And Services)
- v.5 Recording Principle – Change Of Ownership Instead Of Cross-Border For Selected Commodities (Goods)
- v.6 Trade System – Improved Coverage By Implementing General Trade System Exclusively (Goods)
- v.7 Valuation – Utilizing Invoice Value In Addition To CIF, FOB (Goods)
- v.8 Price And Volume Measurement (Goods And Services)
- v.9 Factoryless Goods Producers And Merchanting (Goods)
Vertical Integration: Research topics

Topics identified

- v.10 Measurement Of Modes Of Supply (Services)
- v.11 SITS Classifications EBOPS (Services)
- v.12 Trade Flow, Nature Of Transactions And Customs Procedure Codes (Goods)
- v.13 Valuation on specific transactions/products (Goods and Services)
- v.14 Alternative data sources – high-frequency data sources (Goods and Services)
- v.15 Upgrading SDMX-IMTS to Technical Specification version 3.0 (Goods)
- v.16 Clarification On Cultural Products Resulting From Creative Industries
- v.17 Revision Of The Standard International Trade Classification (SITC)
- v.18 Indicators on Trade Statistics (Goods and Services)
The current trade system recommendations offer the possibility of adopting one of the three systems: strict, large and general (IMTS2010, chapter2).

This is one of the main sources of discrepancies in international trade statistics between partners.

The **objective** is to recommend an **exclusive trade system** to reduce these discrepancies and bring it into line with national accounts and balance of payments statistics.
Recording Principle: Change Of Ownership Instead Of Cross-Border For Selected Commodities (Goods)

• A key conceptual difference between IMTS and SITS, as well as BOP statistics, is that SITS and BOP are based on the change of ownership principle while IMTS coverage is mainly based on the cross-border principle except for selected IMTS commodities that are recorded based on the change of ownership;

• At the same time, with economic globalization, cross-border trade has become an increasingly inaccurate indicator of attribution of trade values, especially with coverage challenges for transactions that are included in IMTS based on change of ownership.

• The objective: it should be explored or clarified how IMTS coverage of and conversion to change of ownership basis can be strengthened, and facilitate the comparability of various trade statistics.
downstream integration with the various data sources

Alternative data sources – high-frequency data sources (Goods and Services)

• Customs data are the primary source of IMTS, but non-customs sources have long been in use to supplement, increase coverage of or validate trade data.

• Advancement in technology in recent years has created more opportunities to use non-customs data sources to improve not only the coverage and accuracy but also the timeliness of IMTS.

• Digital tracking of parcels and data owned by e-commerce platforms can produce trade indicators in real-time that may supplement or even proxy more traditional indicators.
PHASE 0: preliminary design, including plan

PHASE 1: Collection & Analysis of needs

PHASE 2: Developing a Trade Flow Diagrams

PHASE 3: agree on a recommendation to be applied

PHASE 4: Drafting GN or chapter

On going work: Execution of Macro-planning
Next steps:
Classification of GN

Research topics:
GNs

Conceptual issues

Conceptual and compilation issues

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Merchandises
Services
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