STHATATIONAL COMMISSION
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Item 6 (b) of the provisional agenda

INTERNATIONAL TRADE STATISTICS

1. At its fourth session, the Commission took note of the need for obtaining greater accuracy in the figures of merchandise transactions used in estimates of balance of payments; and therefore recommended

"that the Secretary-General request information from Governments about their methods of valuation of commodities in international trade and, in the light of this information, study the desirability of modifications in the provisions of the International Convention Relating to Economic Statistics in the matter of valuation." (E/1312, paragraph 111)

2. Such an investigation would require to take into account the methods of determining values at frontier; the influence of Government-supported or Government-controlled prices on trade values; the treatment of duties, taxes, and similar charges; the use of differential and arbitrary rates of exchange; the effect of compensation, clearing, payments or other trade agreements; and such other factors as would affect the relationship between transaction values and values recorded for customs or statistical purposes.

3. After examining the possibility of obtaining information from Governments on this subject, the Statistical Office is of the opinion that it would not be sufficient merely to address a series of questions to Governments to obtain the information required in this field. It is considered necessary first to investigate the methods at present being followed by a few different countries with a view to drawing up a series of detailed questions which would elicit significant information from Governments.

4. It is furthermore felt that there are other factors of importance equal to
that of valuation which affect the international comparability of trade statistics. The Statistical Office has already carried out preliminary research designed to ascertain variations existing in reciprocal trade data as reported by any two countries. From the results of this preliminary research, it appears highly desirable that the investigation should be extended to include all major sources of incomparability in trade statistics.

5. The fields of the investigation should accordingly comprise:

(1) the methods of valuation of commodities in international trade, as outlined above;

(2) the system or classification of trade for each country. This would involve differences in definitions of total imports, imports directly for consumption, imports into or ex warehouse, transit and transhipment trade; and between total exports, national exports, nationalized exports and re-exports;

(3) the methods of defining countries of provenance and destination. This would involve not only the differentiation between countries of origin, shipment, consignment, purchase or sale, and final destination, but also differences in the treatment of "for order" shipments, postal trade, and items such as fishery products reported by category rather than by country. It would also involve

(a) differences in treatment of countries where territorial changes have taken place; and

(b) differences in the definition of territories referred to in trade returns;

(4) the methods of defining merchandise trade. Since the coverage of trade statistics differs widely as between various countries, it would be essential to obtain information on the treatment of the following important items:

(a) gold, silver, and paper currency;

(b) trade on Government account;

(c) Government foreign relief, and similar special transactions; reparations and restitutions;

(d) gifts and donations;

/(e) ships
(e) ships and aircraft bought and sold; ships stores (including bunker fuel); passengers' baggage; household and personal effects;
(f) fishery products;
(g) temporary and frontier trade; re-imports; improvement and repair trade;
(h) consular and diplomatic supplies; and other items not involving a commercial transaction.

(5) the treatment, or possible treatment, of unrecorded transactions.

Such items would be contraband "en franchise" imports or exports, and land-borne or air-borne trade for certain countries.

6. The investigation could well cover the question of comparability of quantity for individual commodities, as well as comparisons of time periods. The study might include investigation of time lags between:

(a) the dates of trade transactions and the dates of recording; and

(b) the dates of transactions as between exporting and importing countries.

7. It may also be possible to obtain information available from individual countries on the relationship of transportation costs to frontier values.

8. The Statistical Commission may wish to recommend, therefore, that the Secretary-General study the practices employed in recording transactions in international trade, both by means of direct investigation and by means of questionnaires addressed to Governments with a view to reporting to the Commission at its next session on the desirability of modification and expansion of the provisions of the International Convention relating to Economic Statistics, in so far as they relate to international trade.