STATISTICAL COMMISSION
Ninth session
Item 5 of the provisional agenda

STATISTICAL COMMISSION

Draft resolution on valuation in external trade statistics

The Statistical Commission

Aware of problems of interpreting trade statistics in countries having multiple exchange rate systems, and wishing to expand and clarify the recommendation made at its seventh session (E/2365, para. 36),

Recommends that countries in which multiple exchange rate systems are in force compile two sets of figures for the value of their external trade:

(a) Data for use in international comparison expressed in dollars, sterling, or some other currency not complicated by multiple exchange rate systems, or in an artificial currency having a fixed relation to such a currency. These data should represent the transaction value in foreign exchange of the country's exports and imports. Hence they should represent the sum of transaction values in foreign currencies converted into the unit chosen for reporting at the cross rates generally recognized throughout the world. Should some transactions be reported in national currency or in another multiple currency, these should be converted into the chosen unit of account at the rate of exchange that would represent their transaction value in foreign exchange. Since they represent transaction values these data are, in the case of exports, gross of export duties but net of export subsidies and, in the case of imports, net of import duties but gross of import subsidies.

(b) Data expressed in national currency for use in comparisons with other national data expressed in monetary terms. These data should represent the amount in national currency received by exporters or paid by importers for the transaction.
STATISTICAL COMMISSION
Ninth Session
Item 6 of the provisional agenda

COMMENTS ON THE REPORT OF THE EXPERT GROUP
ON DISTRIBUTION STATISTICS

(A summary prepared by the Secretary-General)

Table of Contents

<table>
<thead>
<tr>
<th>Introduction</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>I - General Comments</td>
<td>2-4</td>
</tr>
<tr>
<td>II - Quinquennial and Annual Inquiries</td>
<td>5-35</td>
</tr>
<tr>
<td>A. The Programme</td>
<td>5-10</td>
</tr>
<tr>
<td>Frequency</td>
<td>5</td>
</tr>
<tr>
<td>Coverage</td>
<td>6</td>
</tr>
<tr>
<td>The Reporting Unit</td>
<td>7</td>
</tr>
<tr>
<td>Publicity and Disclosure</td>
<td>8</td>
</tr>
<tr>
<td>Combination with Basic Industrial Inquiries</td>
<td>9</td>
</tr>
<tr>
<td>Information on Reliability of Results</td>
<td>10</td>
</tr>
<tr>
<td>B. Items of Data to be Sought</td>
<td>11-16</td>
</tr>
<tr>
<td>Establishment Characteristics</td>
<td>12</td>
</tr>
<tr>
<td>Employment and Wages and Salaries</td>
<td>13</td>
</tr>
<tr>
<td>Expenditures and Sales for Fixed Assets</td>
<td>14</td>
</tr>
<tr>
<td>Inventories</td>
<td>15</td>
</tr>
<tr>
<td>Sales</td>
<td>16</td>
</tr>
<tr>
<td>C. Gross Margins and Operating Costs</td>
<td>17</td>
</tr>
</tbody>
</table>
D. Definitions and Classifications for the Items of Data
   Kind of Activity 18
   Kind of Business 19
   Type of Operation 20
   Kind of Legal Organization 21
   Location 22
   Size of Establishment 23
   Employment and Wages and Salaries 24
   Expenditures and Sales for Fixed Assets 25
   Inventories 26-27
   Sales 28-33
   Accounts Receivable 34

E. Tabulations of Items of Data by Establishment Characteristics 35

III - Monthly or Quarterly Inquiries
   A. Data Recommended for Collection 36
   B. Coverage and Reporting Unit
      Coverage 37
      Reporting Unit 38
   C. Data to be Published 39-40
      Adjustments 39
      Classification by Kind of Commodity 40
   D. Definitions 41

IV - Sampling in Distribution Statistics 42
COMMENTS ON THE REPORT OF THE EXPERT GROUP ON DISTRIBUTION STATISTICS

1. The Expert Group on Distribution Statistics, convened by the Secretary-General in New York on 3-14 October 1955, made proposals in its Report (E/CN.3/L.36) with regard to the coverage, content, definition and tabulation of data for wholesale, retail and service establishments in both basic and current inquiries. The Report was circulated to countries, the specialized agencies and regional commissions of the United Nations, the International Chamber of Commerce, the Organisation for European Economic Co-operation, and the Inter-American Statistical Institute in order to obtain their views as to the usefulness and practicability of these suggestions. In addition, the Conference of European Statisticians convened a second session of the Working Group on Distribution Statistics (hereinafter called the Working Group) in Geneva on 9-13 January 1956, in order to permit discussion and co-ordination of the views of European statisticians. 1\/

The foregoing steps were taken as it was believed that the Statistical Commission would wish to have the views of countries and others with regard to the proposals of the Report in considering international recommendations concerning distribution statistics. This paper is a summary of the substantive comments received to date from the International Chamber of Commerce (ICC), the International Labour Office (ILO), the Working Group and the following 31 countries: Australia, Austria, Belgium, Brazil, Chile, Czechoslovakia, El Salvador, Finland, France, Guatemala, Hungary, India, Iran, Ireland (Republic), Italy, Mauritius, Morocco (French), the Netherlands, New Zealand, Norway, Philippines, Southern Rhodesia, Spain, Sweden, Switzerland, Trinidad, the Union of Soviet Socialist Republics, the United Kingdom, the United States, Western Germany, and Yugoslavia.

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I - GENERAL COMMENTS

2. Nearly all respondents comment very favourably on the Report as a whole. They feel that it is an excellent and realistic document that adequately covers the field of distribution statistics. They agree that the proposals of the Report would serve as a useful basis for needed international standards in this field of statistics and that the suggestions would be especially valuable to countries with little or no experience in distribution statistics. It is noteworthy that a few of these countries (e.g., Guatemala, Iran, Mauritius) are hopeful of starting work in this field when resources permit.

3. While the consensus is that the programme of the Report represents a desirable goal for the collection of distribution statistics, a number of countries indicate that they would find it necessary to implement the full programme gradually. For example, the Working Group emphasizes the need to determine the order in which different parts of the programme might be carried out. Belgium sets out a minimum programme for its own needs, and France points out that any attempt to carry out the proposals of the Report at the present time would meet with unsurmountable opposition from the business sector. Sweden suggests that, in countries where quinquennial or annual surveys of the type described in the Report are not at present envisaged, it might be desirable to collect some of the information in question (e.g., annual purchases, credit and cash sales) by a more extensive programme of monthly or quarterly inquiries.

4. There is general agreement among the respondents that the suggestions of the Report as to coverage, items of data, definitions and tabulations for distribution statistics fit the requirements for these data and the conditions and problems encountered in collecting them well. Thus, the Working Group came to the conclusion that this was the case for Europe. The Working Group, as well as a number of countries, emphasize that care should be taken to make the definitions and classifications adopted for distribution inquiries consistent with international recommendations in other fields of statistics - for example, in national accounts and in the International Standard Industrial Classification (ISIC). It is generally agreed that there is a need for clearer definitions of wholesale, retail and service trades, both for the improvement of
national statistics and for the attainment of international comparability
in the coverage of distribution inquiries and the classification of the results.
The definitions given of wholesale and retail trade in the ISIC are brief and
difficult to apply in practice. In this connexion, it should be noted that
work is being completed on a detailed index to the ISIC and that it is hoped to
start work on a refinement of the ISIC. There are reservations with respect
to particular aspects of the proposals of the Report, and these are summarized
below under appropriate headings that correspond to those in the Report.

II - QUINQUIENNIAL AND ANNUAL ENQUIRIES

A. The Programme

5. - Frequency: While many countries agreed with the proposal in the Report that
comprehensive censuses should be taken every five years and less detailed
inquiries during each of the intervening years, some felt that the censuses
should be taken less often and others, more often. Austria and the
Netherlands are not inclined, at least for the present, to shift from a
decennial to a quinquennial basis, whereas Brazil is considering such a change.
India believes that in underdeveloped countries it is preferable to carry out
distribution censuses every 10 years, since available resources might well be
used for other statistical programmes which are equally, if not more, important.
Although the ICC agrees with the carrying out of quinquennial censuses, it
believes that speed in publishing the results is a more important consideration
than frequency. On the other hand, countries with nationally planned economies
feel that comprehensive data such as would be furnished by the censuses were
needed more often than every five years. In the interest of achieving
international comparability, Australia and the United States feel that all
countries should take quinquennial censuses of distribution in the same year.
They appreciate, however, the difficulties inherent in achieving such an ideal.

6. - Coverage: Though all respondents concur with the Report in the inclusion
of wholesale and retail trade in the quinquennial and annual inquiries, this
is not the case with respect to the kinds of service proposed for coverage.
Some countries feel that the coverage should be extended to all kinds of services, whereas others believe that certain kinds of services should be included in other inquiries. For example, Ireland and Trinidad suggest that quinquennial censuses embrace every branch of economic activity except production, transport and public administration, data for which are available from other sources. The United States believes that certain services (e.g., health and legal services, real estate) are important in total business activity or consumer expenditures and that they may therefore be covered in distribution inquiries. On the other hand, the Union of Soviet Socialist Republics is of the opinion that the various services other than eating places, should be the subject of inquiries separate from those into wholesale and retail trade, since one set of items of data and definitions cannot serve for both distribution and services. El Salvador feels that the inclusion of ISIC Group 826 (business services) by countries initiating censuses of distribution would create difficult problems of locating and identifying establishments. Some countries are of the opinion that motion picture production should be included in industrial inquiries; barber and beauty shops, laundries and photographic studies, in surveys other than distribution; and repair services, bakeries and confectionaries in distribution investigations. It should be noted that the proposals of the Report do not preclude the taking of inquiries into different kinds of service separate from those into wholesale and retail trade. As long as the data gathered are classified with sufficient detail, they might be reassembled on an internationally comparable basis. Finally, Trinidad feels that the advisability of restricting the proposed surveys to establishments above a minimum size should be considered, since it would be impracticable to attempt to get full coverage in a country where a large number of people are engaged in distributive activities on a small scale.

7. - The Reporting Unit: There is general agreement with the Report that the establishment is the ideal reporting unit for the items of data that are suggested in basic and current inquiries. The Working Group shares this view, for example, because of the great need for data classified by location, kind of business and size. However, the Working Group and some countries (e.g., Brazil,
Italy and Western Germany) point out that this does not preclude the usefulness of the enterprise as the reporting unit for some purposes, and that it is important to make a careful distinction between the items of data for which the establishment should be utilized as the reporting unit and those for which the enterprise should be used. Moreover, countries and the Working Group emphasize that, in practice, it is necessary to utilize the enterprise or some division of it broader than the establishment as the reporting unit in a number of circumstances, since the establishment is not always the organizational unit that has the necessary accounting records. Thus, the enterprise is usually the reporting unit employed in Czechoslovakia, Hungary, the Union of Soviet Socialist Republics and Yugoslavia. Although Austria normally uses the establishment for reporting purposes, she is often compelled to resort to groupings of establishments according to kind of business or to the enterprise for large undertakings keeping consolidated accounts. Countries find it difficult to obtain on an establishment basis items of data as to capital expenditures, inventories and purchases and monthly or quarterly figures. Italy is of the opinion that the reporting unit in quinquennial or decennial censuses should be both the establishment and enterprise; in annual inquiries, the enterprise; and in monthly or quarterly surveys, the establishment. It is generally felt that the practical difficulties of utilizing the establishment as the reporting unit should be emphasized more than they were in the Report. The circumstances under which it is necessary to depart from the establishment as the reporting unit, and the extent of departure, obviously varies from country to country, depending upon the methods of inquiry and the nature of business organization and accounting practices. It should also be noted that France suggests that the Report distinguish clearly between the establishment and the technical unit (e.g., departments in a department store).

8. - Publicity and Disclosure: Countries generally agree that the co-operation of the business community is necessary if distribution inquiries are to be successful. The Working Group and the ICC, in particular, stress the importance of such co-operation, especially with organizations like chambers of commerce and trade associations. The ICC urges that explicit recommendations be
made that countries organize public relations campaigns before and after a census or a sampling inquiry. On the other hand, although Yugoslavia does not question the value of publicity, she feels that such proposals should not be included in recommendations, since they have no bearing on definitions, classification and methods. India believes that the question of voluntary versus compulsory inquiries should be studied with a view to making international recommendations on this subject.

9. - Combination with Basic Industrial Inquiries: A number of respondents emphasize the need to co-ordinate distribution with other kinds of inquiries. Because of the mixed nature of many businesses (e.g., manufacturing combined with retailing), Australia, France, Hungary, Ireland and Western Germany feel that it is important for countries to do this, in order to avoid omissions and duplications of coverage. The Working Group, Finland and the USSR suggest that it would be useful for countries to experiment with the functional approach to distribution inquiries (e.g., collection of retail sales from all units, whether principally retail or not) for such purposes as measuring total sales at retail. They feel that more consideration should be given in the final programme to the functional approach in correlation with the institutional approach (e.g., collection of retail data from units engaged principally in retail trade) than is detailed in the Report.

10. - Information on Reliability of Results: The Working Group is in general agreement with the Report that countries should issue information on the reliability and accuracy of the results of distribution inquiries, and that stress should be laid on this point in international recommendations. Ireland and the Working Group think that, because of its fundamental importance, the statements of the Report as to reliability of results might be expanded in the general direction of suggesting how appraisals might be made.

II. Items of Data to be Sought

11. A number of general comments were received concerning the items of data to be sought in basic inquiries. For example, the Netherlands feels that it would be better to restrict the number of questions asked. The Union of Soviet Socialist Republics feels that the same items of data should be sought for the annual as for
the quinquennial enquiries. The United States suggests that less qualitative terms be used to distinguish the two groups "primary" and "secondary", since the latter may well mean "very difficult to secure" rather than "less significant". The terms "Group I" and "Group II" are thought to be less misleading for this purpose.

12. - Establishment Characteristics: Belgium, India, the United States and the ICC object to putting information as to type of operation for wholesale trade and retail trade into two different priority groups. They feel that type of operation for retail trade (e.g., supermarkets, mail-order selling) should be given primary status, since it needs to be observed closely in periods of rapid change. The Working Group suggests that the term "kind of economic organization" be substituted for "kind of combination" as a parallel to the heading "kind of legal organization".

13. - Employment and Wages and Salaries: While a number of respondents are of the opinion that certain items of data with regard to employment and wages and salaries should be moved from the secondary to the primary category, some felt that these items of data should be restricted in number. The ILO feels strongly that data on the total number of employees should be a primary item for annual collection, and the ICC stresses the need for such information for several periods in view of seasonality and other variations in employment over a year. The ILO considers further that this information is easy to collect and could afford the basis for rough comparison with aggregate wages and salaries. Trinidad believes that the number of working proprietors and unpaid family workers is sufficiently large to justify the annual collection of numbers engaged. Because of the importance of part-time workers in most countries, the Working Group, the ILO and the United Kingdom feel that the subdivision of number of employees and wage and salary payments for one period into full and part-time should be given primary status for quinquennial enquiries. Trinidad suggests that employees also be distinguished, at least into sales clerks, who form an important group in distribution, and others for purposes of gathering these data. Hungary is of the opinion that wages and salaries should be classified according to occupational groups in order to avoid bias in these
figures due to the inclusion of high and low paid employees. On the other hand, Western Germany believes that, in order to obtain reliable results, the items of data with respect to employment and wages and salaries should be as simple as possible. Yugoslavia feels that such items as occupational status, age and classification of personnel into full and part-time, although interesting, are most appropriately gathered through population censuses. Austria indicates that distinctions between full and part-time employees may not be feasible.

14. - Expenditures and Sales for Fixed Assets: The United States believes that the Report may have over-emphasized the difficulties involved in obtaining detailed items of data on expenditures for fixed assets, as these data have not been difficult to obtain in the United States. Austria feels that sales of fixed assets are not very important and should be deleted from the programmes. Brazil, on the other hand, is considering the collection of capital sales data in future censuses. However, both Austria and Brazil state that they cannot collect data on capital expenditures, distinguished between new and used assets. India suggests that expenditures and sales for fixed assets be transferred to the primary category, since they are important in determining the level of economic activity and in estimating capital formation.

15. - Inventories: There was general acceptance of the items of data suggested in the Report with regard to inventories. However, the ICC urges that, to the extent possible, countries should collect data both on value and volume of inventories by class of commodity. On the contrary, Ireland emphasizes the difficulty of obtaining data on stocks by kind of commodity and feels strongly that, in the main, total value of stocks classified by kind of business suffices for most analytical purposes. Ireland mentions that values of stocks might be deflated to quanta with the use of an appropriate wholesale price system.

16. - Sales: Some respondents feel that the items of data for classification of sales by commodity, type of customer and method of payment in quinquennial censuses should be shifted from the secondary category suggested in the Report to the primary class. India, the Netherlands, the United Kingdom and the ICC all hold this point of view with respect to the value of sales by kind of commodity because of the importance of this information, and the ICC also suggests this for analysis of value of sales by type of customer and method of payment.
The United Kingdom believes the change from secondary to primary status should be made at least for retail trade sales, since these figures are used in consumer expenditure statistics and demand analysis. On the other hand, Ireland and Western Germany endorse the view expressed in the Report that it would be quite difficult to obtain value of sales by type of commodity. Western Germany states that it can be done only for some large-scale enterprises and specialty shops. Ireland believes that it would be difficult to obtain reliable figures on the question even by means of sampling, since a large part of distribution is in the hands of small outlets, but the possibility of collecting purchase information classified by commodity is being investigated. The ICC doubts, on the other hand, whether commodity detail on purchases can provide an adequate substitute for commodity figures on sales. The Union of Soviet Socialist Republics emphasizes the need for standards in the field of price statistics in order to put sales data on a comparable basis internationally.

C. Gross Margins and Operating Costs

17. The ICC recommends that greater emphasis be placed on the need for obtaining data on operating costs, at least from establishments or enterprises above a certain size for which such data ought to be available. The United States feels that the computation of gross margins provides the basis for comparisons of profitableness and efficiency between distributive establishments only if accompanied by detailed data on costs and other information. The USSR also points to the need for the collection of certain summary statistics in the field of distribution (e.g., rate of turnover, gross margins, etc.). The Working Group makes reference to the fact that the Statistical Commission is considering the problem of the collection of operating costs and other financial statistics from units engaged in distribution as part of the statistics for enterprises of all types.

D. Definitions and Classifications for the Items of Data

18. Kind of Activity: The Working Group considers it desirable to treat the classification of distributive and service trades in a more symmetrical way than that in the Report, and recommends that the classification by kind of activity
should distinguish between wholesale trade, retail trade and services, while the classification by kind of business should include a more detailed classification of services by kind of service rendered as well as of wholesale and retail establishments by kind of commodities dealt in.

19. - Kind of Business: Although they appreciate the difficulty of proposing a classification of wholesale and retail trade by kind of business for international use, the Netherlands and the Working Group feel it is desirable to do this at least on a broad basis. It should be noted that a subdivision of wholesale and retail trades will be considered in connexion with the proposed refinement of the ISIC.

20. - Type of Operation: The Working Group suggests that the Report should expand the definition of type of operation so as to indicate more clearly what is meant. Sweden feels that it is necessary to formulate a standard definition of a manufacturer's sales office. Difficulties were encountered in the 1951 Swedish Census of Production, Distribution and Services in deciding whether an establishment should be regarded as a manufacturer's sales office or branch, or as an ordinary factory office.

21. - Kind of Legal Organization: The Working Group, Czechoslovakia, Hungary, the Union of Soviet Socialist Republics and Yugoslavia recommend that the classification by kind of legal organization be expanded to include separate headings for the various types of state ownership, as these forms of ownership are important in a number of countries.

22. - Location: Ireland desires to underline the importance of establishing broad economic areas for analysis of such figures as retail sales per person in regions. These figures have been found to have considerable usefulness for market research. In fact, they are the best indicators of the economic level of different areas in the country and are quite easy to obtain.

23. - Size of Establishment: Netherlands feels that countries should not use number of employees as a size criterion unless it is impossible to use number engaged for this purpose. This is because of the importance of working proprietors and unpaid family workers in the distributive trades. Netherlands also suggests adding "3" to the lower class limits recommended in the Report.
24. - Employment and Wages and Salaries: The Working Group believes that a further attempt should be made to define full and part-time employees, although the differences in national practices would admittedly make this difficult; and that the status group covering directors and business managers or agents who work partly on commission should be clearly indicated in the definitions. Hungary believes that her practice of relating the working time of part-time employees to the normal work week should be followed. The ILO believes that wages in kind should be valued on the basis of cost rather than according to market prices, as valuation at cost would result in the information being more useful and easier to obtain. Italy takes the view that the valuation of payments in kind should be based on cost when the goods and services supplied are produced by the firm and on market prices when they are purchased from the market. France, Italy, the Working Group and the ILO feel that countries, if possible, should gather separate data on insurance, social security, social changes and other contributions paid by employers in order to obtain information on total labour costs. The ILO suggests that dismissal wages be included in these data rather than in wages and salaries.

25. - Expenditures and Sales for Fixed Assets: The Working Group emphasizes that the definitions of the Report should be extended to indicate how to allocate expenditures for fixed assets which are used for mixed purposes (e.g., parts of buildings occupied by distributive establishments and rented to other firms or used as dwellings, motor vehicles used partly for business and partly for private purposes) or which are utilized by more than one establishment of a multi-unit enterprise (e.g., vehicles used in this way). Western Germany makes the point that, in formulative definitions for items of data on capital expenditures and sales, reference be made to the way enterprises normally treat them. The United States emphasizes that for purposes of measuring capital formation it is important that data on fixed assets either not include land and second-hand assets or that figures for them be gathered separately so that they can be excluded from the total of capital formation.
26. - **Inventories:** The Working Group believes that the term "owned by the establishment" used in the Report to describe the coverage of data of inventories, as well as of sales and purchases, might lead to confusion in the case of multi-unit enterprises, since the establishments belonging to such enterprises do not legally own commodities. It therefore suggests that, for these establishments, the term in the definition be replaced by "controlled by the establishment". As an operating guide, the goods controlled by the establishment of a multi-unit enterprise might consist of all goods on its premises, including its warehouses, and goods allocated by the enterprise to the establishment for sale. New Zealand suggests that the definition of the coverage of data on inventories, as well as on purchases, clearly indicate that containers and other packing materials are included.

27. - There were mixed reactions as to the suggestion in the Report that inventories should ideally be valued at replacement cost. A number of countries and the Working Group agree that for purposes of economic analysis, it would be desirable to value stocks based on replacement cost; and some of them (e.g., Australia and Western Germany) emphasize that it should be clearly indicated that this is the current purchase cost of the goods to the establishment rather than their current sales value. However, they all emphasize that the practical difficulties in obtaining data in terms of replacement cost are formidable; and Australia, New Zealand, the ICC and the ILO feel that this basis of valuation is not feasible, as it represents a substantial departure from common business practice. Western Germany and the Working Group are of the opinion that more stress should be put in the definition on the practical need of adopting the basis of valuation of stocks that is in fact utilized by reporting units. Italy and New Zealand emphasize the importance of valuing inventories on a consistent basis to obtain stock changes, and the former believes that they should be valued at constant prices at the beginning and end of the year. France emphasizes that a uniform definition of the value of inventories as to the inclusion or exclusion of sales taxes is needed for purposes of international comparability.
28. - **Sales:** The Working Group urges that consideration should be given to recording sales at the time when the effective right to use the goods changes hands rather than when ownership is transferred as proposed in the Report. This is because the concept of transfer of ownership involves legal questions that might have a different application in different countries and would theoretically include instalment sales only after the last instalment is paid. In most countries change-of-effective-use is also nearer than change-of-ownership to the stage of invoicing, which most traders would in fact use in reporting sales. It should be noted that these comments would also relate to the definition of coverage for inventories and purchases, since all of these definitions must be consistent. From this point of view, New Zealand prefers that sales, inventories and purchases be defined in terms of physical possession of goods, although she realizes this would raise some difficulties of a financial type.

29. - Finland and Norway prefer to exclude from sales data the sales of goods by agents or brokers and to include only the commissions received, shown separately, if possible, from other receipts. The Working Group suggests that the definition of sales should clearly indicate that commissions received from sales on the account of others are included in receipts. The United States thinks that the Report is not clear as to whether the sales value of goods that include a service (e.g., installation) should be reported separately for value of goods and value of services. Although this is desirable, the potential problems inherent in separating such data are recognized.

30. Finland and Norway question the suggestion of the Report that transfers by one establishment to another establishment of the same enterprise should be excluded from sales, while purchases should be included. The Working Group, however, agrees with this proposal, since it was noted that the intention of the Report was to subtract the value of such transfers from the value of purchases of the transferring establishment. The Working Group recommends that this treatment of transfers between establishments of the same enterprise be more fully explained in the definitions.
31. The Working Group considers it impracticable to include data on proprietors' withdrawals in current inquiries and suggests that, if collected in basic surveys, they be shown separately. While agreeing that the valuation of these withdrawals at appropriate market prices, as suggested in the Report, is consistent with many uses to which the data are put (e.g., in making national income estimates), the United States indicates that for other purposes the valuation at cost may be more appropriate. This is the usual accounting practice in the United States.

32. The Working Group agrees that the value of sales should be estimated net of discounts, including deferred discounts such as those made annually by some traders to purchasers in relation to the quantity of their purchases. A difficult point is the treatment of the "dividends" distributed by consumers' co-operatives. The Working Group agrees that these should not be deducted from the value of sales, but in basic inquiries it would be useful to obtain the value of such dividends separately. Italy and the ICC emphasize that indirect taxes should be collected separately for the purpose of calculating statistical aggregates at factor cost in national accounting. This would also be helpful in determining effective gross margins as opposed to global gross margins. The United States feels that it would be difficult to include financing charges in sales and recommends that they be shown separately. In the United States, financing charges are not considered a part of sales.

33. Brazil collects data on sales classified by type of customer, viz., to consumers (including manufacturing establishments), for resale and for export. The further breakdown of sales to consumers into sales to households, manufacturing establishments and governments will be considered for future censuses. She does not feel, however, that the suggested division of sales for resale into sales to retailers and wholesalers, or the separation of sales to educational institutions is very satisfactory.

34. - Accounts Receivable: The Working Group asks that the item of data for accounts receivable be defined. Western Germany feels that this item of data will generally be obtainable only from the enterprise and should be defined to accord with common business practice.
E. Tabulations of Items of Data by Establishment Characteristics

35. Some countries feel that the suggestions as to tabulations in the Report are too ambitious; but a few wish to have them extended. The Union of Soviet Socialist Republics and the United Kingdom question the wisdom of suggesting too precise a tabulation programme. The differing degrees of dependence which countries may place on sampling methods in conducting their inquiries will undoubtedly affect their ability to comply with such a programme, especially when it comes to tabulating data by locality. This point is also made by the Working Group. Yugoslavia feels that it would suffice to tabulate statistics by type of operation, kind of business and/or kind of activity. The ILO thinks that the tabulation plans for wages and salaries should not be more detailed than those for number of employees. On the other hand, the United States feels that for many analytical purposes it would be desirable to have the data of fixed assets tabulated according to number engaged and value of sales, as well as by type of operation, kind of business and/or kind of activity. The Working Group suggests that the tabulation proposals for quinquennial and annual statistics be shown in two separate tables.

III. MONTHLY OR QUARTERLY INQUIRIES

A. Data Recommended for Collection

36. Although there is general agreement with the recommendations of the Report concerning the items of data to be collected in current inquiries, a number of respondents note the difficulties inherent in the collection of monthly or quarterly inventory data. Austria emphasizes that it would be difficult to gather such data and Western Germany states that it would be impossible to do this on a representative basis because it is not usual for small or medium-sized establishments, nor for a number of large-scale enterprises, to keep current inventory accounts. The latter country also believes that it would be impossible to estimate current inventory figures, as it would be difficult to obtain purchase data from small enterprises. Though the Working Group feels that countries should be encouraged to experiment with the estimation of current inventory data from a combination of current purchases and sales figures and annual gross margin and inventory data, the United States doubts that this approach would
yield precise measures of inventories. Australia and Ireland ask that the
details of this method of estimating inventory data be described. The ICC
prefers that data be collected on the value of sales, inventories valued in
accordance with normal practice and the cost of purchases.

B. Coverage and Reporting Unit

37. Coverage: Western Germany feels that current inquiries should cover, in
addition to retail and wholesale trade, the service groups (e.g., hotels,
restaurants, etc.). Sweden finds it desirable to include in her current
surveys of retail trade "mixed" establishments, i.e., those which carry on
retail sales but which, according to their main line of activity, would be
classified under "manufacturing" in the ISIC. Sweden also suggests that the
inclusion of certain other service and manufacturing groups (e.g., legal
services, repair of motor vehicles and cycles), in addition to those recommended
for basic inquiries, would be of interest.

38. Reporting Unit: Both Finland and Sweden feel that it might be convenient
to use the enterprise as reporting unit in current inquiries. This would simplify
reporting and achieve considerable gains in coverage of sampling statistics. The
Working Group also indicates that some grouping of establishments or even the
enterprise may be the most practicable reporting unit for current inquiries.

C. Data to be Published

movements may be difficult to carry out in many countries because sufficiently
long series are not available and because of shifts in the seasonal pattern.
In regard to adjustments of sales for the number of trading days, the Working
Group feels that they are not significant as various lines of business are
effected differently by variations in trading days, and other factors
(e.g., number of Saturdays and Sundays, pay-days, holidays, etc., and climatologic
circumstances) are more important in the volume of sales. New Zealand makes
essentially the same point.
40. - Classification by Kind of Commodity: India, the United States and the ICC feel that it would be useful if countries collected current data on the value of sales by kind of commodity. The former two suggest that this could be done for a limited number of commodities or commodity groups and need not be standardized on an international level. The Working Group also indicates the importance of distinguishing between sales of durable consumer goods and non-durable goods, and of obtaining separate data on the principal types of consumer goods, because of their importance in analysing short-term changes. It, however, emphasizes the difficulties of gathering such data and considers that data of sales according to kind of business would be a useful replacement.

D. Definitions

41. No objections were raised by countries against the Report's recommendations that the same definitions be used in both basic and current inquiries. However, the Working Group points out that, in practice, certain difference (e.g., with respect to proprietor's withdrawals or the treatment of sales discounts) are unavoidable.

IV. SAMPLING IN DISTRIBUTION STATISTICS

42. There is general agreement with the Report's recommendations concerning the use of sampling techniques for both current and annual inquiries. The United Kingdom feels that countries should be encouraged to make fullest use of these methods. The ICC believes that voluntary sampling, if carried out with vigour, can be as adequate as other methods. The Working Group notes that as far as sampling efficiency is concerned, the choice between the two types of frames for probability sampling (i.e., lists of reporting units and maps or lists of areas) depends upon the particular circumstances. It agrees that, in general, lists might provide practical and efficient frames for relatively large reporting units and areas for the smaller reporting units.