



UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION

**Expert Group on International Merchandise Trade Statistics
Second meeting
New York, 3-6 November 2009**

**The revision of the recommendations
for international merchandise trade statistics**

**Report on the Results
of the second round of worldwide consultation**

United Nations, New York

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Introduction

The United Nations Statistical Commission at its 39th session (26-29 February 2008) endorsed the initiative and strategy of the United Nations Statistics Division (UNSD) to revise the existing recommendations for international merchandise trade statistics contained in *International Merchandise Trade Statistics, Concepts and Definitions, Revision 2* (IMTS, Rev.2) and requested that the draft revised recommendations be submitted to the Commission for adoption at its 41st session in 2010.

The key element of the revision strategy is a worldwide consultation with national IMTS compilers. The consultation has been conducted in two stages: (i) initial consultation on issues most relevant for setting the scope of the future recommendations in 2008 and (ii) consultation on the full text of the provisional draft of the revised recommendations (IMTS2010) in 2009.

This report presents the results of the second round of worldwide consultation on the full text of the provisional draft of the revised recommendations (IMTS2010) which was conducted in August and September 2009. A total of 99 countries replied to the consultation paper within the available time, 31 developed and 68 developing and transitional countries.¹ UNSD received well over 500 (!) individual and often very detailed comments.

UNSD is very grateful to all respondents. The comments provide an excellent basis for the review of the provisional draft by UNSD and the Expert Group on International Merchandise Trade Statistics (EG-IMTS) which is assisting UNSD in the revision process. In addition, the comments provide important input for the update of *International Merchandise Trade Statistics, Compilers Manual*. This report will be discussed at the second meeting of the EG-IMTS on 3-6 November in New York which will review and endorse the provisional draft of the revised recommendations for international merchandise trade statistics.

The quantitative results and the comments of countries show that countries overall agree in overwhelming majority with the draft text of all chapters and annexes. Part A of this report contains a brief summary of the quantitative results and Part B contains the analysis of the comments provided by countries. This analysis reflects on the main points raised.²

A. Summary of the quantitative results

The overwhelming majority of countries that replied to the questionnaire overall agree with the contents of the individual chapters and annexes. For most of the chapters the rate of agreement is well above 90 percent (see Table 1). Only regarding the specific questions on the recording of partner country (questions Q (6.2) and Q (6.3)) the agreement of countries is

¹ There is no established convention for the designation of “developed” and “developing” countries or areas in the United Nations system. In common practice, Japan in Asia, Canada and the United States in northern America, Australia and New Zealand in Oceania, and Europe are considered “developed” regions (see <http://mdgs.un.org/unsd/mdg/Host.aspx?Content=Data/RegionalGroupings.htm>).

² UNSD is very grateful for all detailed substantive and editorial comments which will be carefully examined and taken into account during the finalization of the draft text.

less strong (77 percent and 73 percent, respectively). There are no major differences in the replies of developed countries and developing and transitional countries.

These results cannot be taken as an agreement with all individual paragraphs of the provisional draft text and the individual comments of countries require careful examination.

Table 1: Quantitative results by question

Question	Replies of 99 countries				Developed (31)				Developing and transitional (68)			
	YES in %	NO in %	No Op.* in %	N/A in %	YES in %	NO in %	No Op.* in %	N/A in %	YES in %	NO in %	No Op.* in %	N/A in %
Q (0.1)	97	1	2	0	97	0	3	0	97	1	1	0
Q (1.1)	98	1	1	0	97	0	3	0	99	1	0	0
Q (1.2)	96	1	2	1	97	0	3	0	96	1	1	1
Q (2.1)	92	2	5	1	87	6	6	0	94	0	4	1
Q (3.1)	97	1	2	0	94	0	6	0	99	1	0	0
Q (4.1)	94	4	2	0	94	3	3	0	94	4	1	0
Q (5.1)	99	0	1	0	97	0	3	0	100	0	0	0
Q (6.1)	95	0	4	1	94	0	6	0	96	0	3	1
Q (6.2)	77	12	10	1	68	16	16	0	81	10	7	1
Q (6.3)	73	13	13	1	87	3	10	0	66	18	15	1
Q (7.1)	90	6	4	0	77	16	6	0	96	1	3	0
Q (8.1)	97	0	3	0	97	0	3	0	97	0	3	0
Q (9.1)	95	1	2	2	94	0	3	3	96	1	1	1
Q (10.1)	95	1	4	0	94	3	3	0	96	0	4	0
Q (11.1)	89	3	7	1	94	3	3	0	87	3	9	1
Q (12.1)	93	1	4	2	94	0	6	0	93	1	3	3

* No Opinion

Questions:

Question 0.1 (regarding the introduction):

Do you overall agree with the contents of the introduction?

Question 1.1 (regarding chapter I Scope and time of recording):

Do you agree with the general guidelines on IMTS scope and time of recording?

Question 1.2 (regarding chapter I Scope and time of recording):

Do you overall agree with the specific guidelines on IMTS scope?

Question 2.1 (regarding chapter II Trade system):

Do you overall agree with the contents of this chapter?

Question 3.1 (regarding chapter III Commodity Classification):

Do you overall agree with the contents of this chapter?

Question 4.1 (regarding chapter IV Valuation):

Do you overall agree with the contents of this chapter and its recommendations on statistical value of the exported and imported goods?

Question 5.1 (regarding chapter V Quantity measurement):

Do you overall agree with the contents of this chapter?

Question 6.1 (regarding chapter VI Partner country):

Do you overall agree with the contents of this chapter and its recommendations on the partner country attribution?

Question 6.2:

Do you support the additional recommendation in para. 6.26 that country of consignment is recorded as well, for both, imports and exports, recognizing at the same time, that this may not be always feasible and the implementation of this recommendation may be considered by some countries as a rather longer term objective?

Question 6.3:

Do you agree with the new recommendation that for some categories of imported goods the country of purchase might be preferable to country of origin (see para. 6.31)?

Question 7.1 (regarding chapter VII Mode of transport):

This chapter is new. Do you overall agree with its contents?

Question 8.1 (regarding chapter VIII Data compilation strategies):

This chapter is new. Do you agree in general with its contents?

Question 9.1 (regarding chapter IX Data quality and metadata):

This chapter is new. Do you agree in general with its contents?

Question 10.1 (regarding chapter X Dissemination):

This chapter has been significantly updated. Do you agree in general with its contents?

Question 11.1 (regarding chapter XI Supplementary topics):

Do you overall agree with the contents of this chapter?

Question 12.1 (regarding Annexes A-F):

Do you agree that the proposed Annexes are useful?

B. Analysis of the individual comments

General comments on IMTS2010

Overall, countries are satisfied with the draft of the revised recommendation for IMTS2010 which is viewed as comprehensive, balanced and useful and as a significant improvement and update of the previous text. The combination of theoretical concepts and practical considerations is especially appreciated. Several countries comment that the normative character of these recommendations and the meaning of the terms ‘recommended’ and ‘encouraged’ should be further clarified. Concerning the implementation of the revised recommendations the need for the immediate update of the Compilers Manual is stressed. The need for training/ technical assistance/ capacity building and the need to have the translation into the official UN languages available as soon as possible are also emphasized.

Introduction

Countries appreciate the information provided in the introduction. The explanation regarding the need for the revision and the history of the recommendations for IMTS are found to be especially useful. Regarding the summary of the revised recommendations it is suggested to indicate the differences to the previous recommendations and to also include in the summary of recommendations what countries are ‘encouraged’ to do.

Chapter I Scope and time of recording

Overall, countries agree with the general guideline presented in this chapter. Numerous comments were provided but no major objections concerning any individual elements of the

general guidelines were raised. The estimation of trade below customs and statistical threshold is an important issue for compilers and it is suggested to present it separately with additional detail. The current text on time of recording appears not to fully reflect the complexity of the issue and the different practices in countries. The application of the criterion of change of ownership should be further clarified.

Countries are overwhelmingly in favor of most of the recommendations contained in the specific guidelines. Difficulties in the collection of the data for several categories of goods are pointed out, in particular in cases where customs records do not provide the required information. For several categories of goods further amendments of the text, clarifications or the provision of further guidance are requested. This concerns in particular gold in circulation or as store of value, transaction with territorial enclaves, the time limit for temporary admission and operational leasing of one year, ships and aircraft, media, electricity and illegal trade. It is suggested to provide more guidance on some of these items in the Compilers Manual. It is suggested to present the goods and transactions which are recommended (or encouraged) to be separately identified in a consolidated form. Several countries reflect on the use of the qualification 'if economically significant' and 'statistical threshold'.

Chapter II Trade system

Countries share their national practices in the application of their trade system and describe the difficulties encountered, in particular, in the case of some countries, when moving to the general trade system. It is pointed out that the need for data compilation/ estimation for free zones etc. should also depend on their economic significance. It is suggested to further specify the types of trade, besides re-exports and re-imports, which would be useful to identify via custom procedure (nature of transaction) codes. The majority of comments, but not all, agree with the new and more concise presentation of this chapter which focuses on the recommendation to follow the general trade system.

Chapter III Commodity Classifications

Countries find the contents of this chapter useful. Several countries explicitly welcome the new paragraph on the use of HS chapters 98 and 99, while others express concerns about this paragraph. Also, not all countries agree with the recommendation on the use of SITC or the formulation of this recommendation. Several countries express their interest to be informed about correlation tables between the different classifications. It is also pointed out that non-customs sources might not contain equally detailed commodity information as customs declarations.

Chapter IV Valuation

Overall, there is wide agreement that countries should be encouraged to compile imports on a FOB basis in addition to imports valued CIF. It is requested that clear guidance or a standardized approach for the compilation or estimation of imports valued FOB is provided in the Compilers Manual. Several countries present important arguments to further strengthen the recommendation for the compilation of imports valued FOB, while others only see a

limited purpose for its compilation. Also, it is suggested that the separate collection of data for freight and insurance for imports should only be encouraged but not recommended due to the additional burden on reporters. It is pointed out that the compilation (or estimation) of imports valued FOB should be coordinated with the balance of payment compilers.

Chapter V Quantity measurement

Countries do not always follow the units of quantity recommended by WCO. Also, quality problems with quantity data are pointed out. Countries request to provide detailed guidance on the recommended estimation of quantity information. Also, some countries suggest to provide some clarifications.

Chapter VI Partner country

Countries describe their national practices, which for some countries diverge from the existing recommendation to record the country of origin for imports and country of final destination for exports. Most, but not all countries, agree on the usefulness of the additional collection of country of consignment not only for imports but also for exports (besides country of origin and country of final destination). Yet, many countries also point out the difficulty of compiling this information. It is suggested to only encourage but not to recommend the compilation of country of consignment for exports. The proposal to record for some categories of goods the country of purchase is supported by several countries on conceptual grounds but, overall, is considered as confusing and difficult to implement. Some countries reject this proposal.

Chapter VII Mode of transport

The overwhelming majority of countries welcome this new chapter and the suggested classification for mode of transport categories as an important and good addition to the recommendations. Yet, several countries view the information on mode of transport as of bad quality, or suggest that the recommendation to be better placed in the Compilers Manual or object to the fact that the EU coding system was not adopted (although the categories in the EU system appear to be fully matching the elementary categories proposed in IMTS2010).

Chapter VIII Data compilation strategies

Overall, countries explicitly welcome and agree to this new chapter and its contents as it provides important and necessary guidance. Yet, there were also a few individual critical comments, which, for example, express the concern that some of the statements regarding institutional arrangements are overstepping the scope of these recommendations. One comment points out that that the potential burden of data compilation from non-customs sources is understated, a burden, which is aggravated by demands for the same level of detail from non-customs sources as provided through customs declarations.

Chapter IX Data quality and metadata

Countries welcome this chapter as a very important addition to the recommendations. Countries describe their national practices and plans in this area. Several countries point out the need for resources, training and practical guidance in order to implement these recommendations. Several mostly minor amendments or changes are suggested. Brazil presents its system for quality control.

Chapter X Dissemination

Countries inform about their national practices. It is suggested to better reflect the role of passive confidentiality as the leading principle for IMTS. Some find the suggested release dates as difficult to follow and others as not sufficiently ambitious.

Chapter XI Supplementary topics

Countries request to provide further guidance and best practices on the calculation of trade indices and seasonal adjustment. Countries describe their national practices which indicate that seasonally adjusted merchandise trade data is not necessarily a top priority of users in all countries.

Annex A, B, C, D, E and F

The Annexes are considered as important and useful. It is suggested to add additional annexes either to this recommendation or to the Compilers Manual concerning the rules for adjustments to the invoice value to obtain CIF/FOB value, quantity conversion factors and classification conversion tables.