UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION

Expert Group on International Merchandise Trade Statistics
Third Virtual Meeting
New York, 27 May – 30 June 2009

Report of the Third Virtual Meeting

United Nations, New York

2009

Contents

I.   Purpose and organization

1.   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.

2.   UNSD is assisted in the revision process by an Expert Group on International Merchandise Trade Statistics (EG-IMTS) which met for the first time from 3 to 6 December 2007.

3.   At its first meeting the EG-IMTS agreed to meet again for a virtual meeting in November 2008. At this meeting which was conducted electronically from 5 November to 5 December 2008 through an 'expert forum' the EG-IMTS agreed to hold two additional virtual meetings in 2009 – a second one in March 2009 to review the full draft text of Chapter I "Coverage and time of recording" and Chapter II "Trade System" and a third to review the full draft text of the remaining chapters in May/ June 2009.

4.   On 20 May 2009 the members of the EG-IMTS were informed that the third virtual meeting would start on 27 May with the posting of the first drafts for chapters 3 to 11. The experts provided their comments by 12 June. On 19 June UNSD provided its draft conclusions and requested the experts to provide their comments on the draft conclusion by 26 June. The last comment was received on 29 June and the expert forum was physically closed (made read-only) on 30 June. All comments were considered in the below conclusions and are part of the documentation of this meeting.

II.   Participation

5.   The EG-IMTS members of 23 national offices and international/ regional organizations which participated in the first meeting from 3-6 December 2007 were invited to this virtual meeting. In order to broaden the participation, in particular in light of the fact that not all members of the EG-IMTS actively participated in the first virtual meeting, the following additional countries and regional organizations were invited to take part in the two virtual meetings in 2009: Kenya - National Bureau of Statistics, Philippines - National Statistics Office, Ethiopia - Central Statistical Agency, India - Directorate General of Commercial Intelligence and Statistics (DGCI&S), ALADI and COMESA. Also WCO was approached regarding its participation in these two virtual meetings. Out of these 20 participated in the virtual meeting providing a total of 232 postings – 215 during the first round of comment and 17 as reaction to the draft conclusions provided by UNSD.

III. Conclusions

6. At its virtual meeting from 27 May to 30 June 2009, the Expert Group on International Merchandise Trade Statistics:

A. Chapter 3 Commodity Classification

7. Overall welcomed the updated chapter 3 on classification but also questioned whether all background information is required to be provided in the IMTS Concepts and Definitions;

8. para. 3.10: welcomed this paragraph but also wondered whether to view it as a more practical issue for the Compilers Manual; suggested to clarify the use of chapter 77; also it was recommended that the use of such coding should be avoided and discouraged;

9. para. 3.11: suggested to add that the countries should be encouraged to adopt the latest version of HS as soon as possible for international comparability purposes (although this is really up to customs);

10. para. 3.19: mostly agreed, but some rewording for clarification required.

B. Chapter 4 Valuation

11. Overall welcomed the updated chapter on valuation;

12. para 4.3-4.4: suggested to streamline or even take out para. 4.3; suggested to more explicitly explain statistical value and transaction value and also the relationship to the invoice value;

13. para. 4.7: suggested to explain further the reason for CIF valuation of imports; show in detail required re-valuation in case of different delivery terms;

14. para. 4.8: mostly agreed to the proposed text but there was also the suggestion to recommend compilation of imports first on a FOB type basis (and on a CIF type basis as supplementary information) as this provides comparable valuation for reconciliation studies, examination of bilateral trade balances and trade negotiations;

15. para 4.9: overall agreed with this paragraph; suggested to collect freight and insurance separately at the detailed level as this could contribute to a better quality; suggested to clearly explain differences between FOB values in IMTS and BOP statistics;

16. para 4.9: disagreed on the responsibility of compiling imports FOB (only statistical agency or all parties involved);

17. para. 4.15: suggested to cover the issue of valuation of goods for processing (transaction vs. gross value was discussed but not resolved during previous virtual meeting);

18. para. 4.15: suggested to maybe cover valuation of used goods and waste and scrape; to clarify valuation of returned goods, used goods and goods bundled with services as well as shuttle trade;

19. para. 4.15(b) suggested to make reference to para. "Media, whether or not recorded" in chapter 1 concerning the exclusion of media used for carrying software customized or written for a specific client;

20. para. 4.15 (d) suggested to further clarify the valuation of goods under financial lease (finance charges);

21. para. 4.15: suggested to only make reference to WTO Valuation Agreement and not to discuss specific cases;

22. para. 4.18: suggested to provide a better explanation for why and when adopting a different currency would be useful;

23. para 4.19: suggested to re-examine.

C. Chapter 5 Quantity measurement

24. Overall agreed with the updated chapter on quantity measurement and stressed the importance of quantity information for the calculation of index numbers and transportation statistics;

25. requested to add best practices on the quantity estimation in the Compilers Manual; voiced concern regarding quality of the quantity figures from customs based data;

26. para 5.1: questioned the assumption that quantity data are more reliable than values; provided alternative text; requested to clarify the usefulness of (net) weight;

27. para 5.3 - 5.4: suggested to encourage weight estimation whenever weight is not collected; expressed concerns regarding the recommendation of using WCO recommended units because of potential high reporting burden and low quality of reporting quantity information in units not used commercially (that do not reflect industry norms);

28. conversion factors (para 5.4.d. 5.5. b and 5.5 c): disagreed (some experts) on providing conversion factors due to quality (accuracy) issues;

29. para 5.6: suggested to expand current text for clarification.

D. Chapter 6 Partner country

30. Suggested to add a graphical presentation regarding the different partner attributions;

31. para 6.4 and 6.11: suggested to state very clearly that the country of consignment for imports is the last intermediate country; and for exports the country of consignment is the first intermediate country after leaving the exporting country;

32. para. 6.26: in majority agreed or was supportive of the recommendation to compile country of consignment for exports in addition to country of last known destination and highlighted the analytical usefulness of this information; yet some experts have doubts about the quality and usefulness of this information and many are concerned about the additional burden on declarants;

33. para. 6.27: agreed that bilateral trade balances should be calculated using imports by county of origin and exports by country of last known destination; pointed out that for BOP purposes a different partner attribution, if available, might be more suitable;

34. para. 6.29: agreed but suggested some rewording; also the last sentence might need further consideration;

35. suggested to add an additional para. 6.31 which would deal with specific goods such as aircraft, ships, used goods where the country of origin might not be the most suitable method of attributing a partner country for imports;

36. suggested to encourage countries to use, where possible, the UN Standard country or area codes for statistical use as a guidance for defining trading partners.

E.   Chapter 7 Mode of transport

37. Strongly supported this new chapter and had no specific comments on para 7.1 and 7.4, except to maybe further explain the usefulness of this new information;

38. para. 7.2 and 7.3: suggested not to recommend a minimum requirement of categories according to which mode of transport should be compiled and reported but mostly agreed to nevertheless recommend a detailed classification for modes of transport in order to ensure international comparability to the best possible extent; at the same time some requested to be less specific in order to give countries enough flexibility to follow their specific national requirements;

39. para. 7.2: in order to ensure international comparability to the best possible extend agreed to maintain the proposed 2-digit hierarchical system in order to simultaneously allow detailed and not detailed compilation and reporting; could not agree whether to combine the suggested categories 4.1 and 4.2 into one new category called "Pipelines, cables and similar modes of transport" in order to have one comparable category; disagreed on whether or not postal consignments, mail or courier shipments and self-propelled goods are to be included in the respective categories air, water and land as the required information for doing this might not always be available; some also pointed out the usefulness of keeping separate mode of transport categories for those shipments.

F.   Chapter 8 Data compilation strategies

40. In general, endorsed this chapter but suggested to make it shorter and less prescriptive; advised that the revised Compilers Manual is a more appropriate place to provide details on good practices in institutional arrangements;

41. para. 8.2: agreed with the recommendations contained in the paragraph and proposed some additions to the text;

42. para 8.5: asked whether a list of main customs procedures under Kyoto convention covering goods which have to be excluded should be added;

43. para 8.8: proposed to move this paragraph to section B and to edit as suggested;

44. para 8.10: proposed to add that the issue of quality of the utilized non customs sources should be addressed and documented in country metadata;

45. para. 8.13: agreed that the recommendation in this paragraph is redundant and proposed to re-phrase the text accordingly;

46. para 8.15: proposed (some experts) not to recommend "that the agency responsible for the overall compilation of IMTS should, whenever appropriate, initiate modifications to national legislation or relevant administrative regulations" and to edit the paragraph accordingly;

47. para.8.17: proposed that the text of the recommendation ends after "established and maintained";

48. para.8.18: overall strongly supported the statement that "in general, the national statistical office is seen as the preferred agency to assume the responsibility for the official foreign merchandise trade statistics of a country"; although some find this statement not necessarily supported by evidence while others would find it more appropriately placed in the Compilers Manual.

G.   Chapter 9 Data quality and metadata

49. Endorsed this chapter 9 and suggested numerous amendments; advised to provide details on good country practices in the revised Compilers Manual (i.e. Brazil);

50. suggested that countries should be encouraged to make use of existing (at international level) quality frameworks and related indicators;

51. para. 9.6: proposed to delete the text after "higher frequency";

52. para. 9.7: suggested to review this paragraph and possibly merge it with others and make it less prescriptive; good practices should be addressed in the Compilers Manual;

53. para. 9.10: suggested to review the dimensions of quality and incorporate the proposed amendments;

54. para. 9.11: proposed to encourage countries to explore (rather than recommend) the release of a provisional estimate; suggested to add that countries are encouraged to make their schedules of revisions publicly available;

55. para. 9.22: endorsed the recommendation to provide metadata but proposed not to go too much into the specifics as this issue has to be covered in more detail in the Compilers Manual.

H.   Chapter 10 Dissemination

56. Endorsed this chapter 10 and suggested to incorporate the proposed amendments; advised to provide more details on good country practices in the revised Compilers Manual;

57. para. 10.9: advised to review the text of this and the previous paragraph and of Section A and to recommend the use of passive confidentiality provided that it is in compliance with the national laws and regulations;

58. para. 10.14: mostly appeared to agree on the proposed guidelines on release of monthly (<=45 days), quarterly (<=60 days) and annual (<=90 days) data with reservations from some EG members;

59. para. 10.19: suggested to move to the Compilers Manual;

60. para. 10.22: suggested to remove the recommendation to use SDMX and to provide the discussion of SDMX in the Compilers Manual;

61. para 10.23: advised to move this paragraph to chapter 9 and address the issue of mirror statistics; there was also the proposal to encourage (rather then recommend) the conduct of reconciliation studies.

I. Chapter 11 Supplementary topics

62. Supported both indices and seasonal adjustment as (new) topics;

63. suggested to make explicit reference to the Compilers Manual for best practices and examples; also to make reference to the Eurostat recommendations on seasonal adjustment;

64. para. 11.2: expressed (some experts) doubts about seasonal adjustment on index numbers.

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