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*Country Note*  
**France**

## DIRECTION DES STATISTIQUES D'ENTREPRISES

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### *Technical note for the 1<sup>st</sup> meeting of the Expert-Group on International Merchandise Trade Statistics 3-6 December, 2007*

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**Object: Compliance of French « International Merchandise Trade Statistics » with UN handbook « International Merchandise Trade Statistics: Concepts and Definitions, Revision 2 » (IMTS, Rev.2)**

The French « International Merchandise Trade Statistics » described here are not only the « customs statistics » compiled in France by the customs statistical service inside the DGDDI, and disseminated by this latter to Eurostat and to the international organizations, but cover sometimes the foreign trade of goods statistics published in the French Balance of Payments or in the French national accounts. In accordance with the specifications of the UNSD, this note follows the structure of the handbook IMTS, Rev.2.

#### **Introduction**

The French customs statistical service of the DGDDI, as any member of the European Union, does not follow directly the recommendations of IMTS, Rev.2, but the European regulations that are inspired by them : Council regulation (EC) n° 1172/95<sup>1</sup> and commission regulation (EC) n° 1917/2000<sup>2</sup> for international merchandise trade statistics with non-members of the European Union (ExtraStat system), Council regulation (EC) n° 638/2004<sup>3</sup> and commission regulation (EC) n° 1982/2004<sup>4</sup> for international merchandise trade statistics with members of the European Union (IntraStat system). This distinction extra- or intra- European Union is fundamental for the conventions used and the customs documents supports to the statistics: Single Administrative Document (DAU in French) for trade with non-members of EU (Bulletin Officiel des Douanes n° 6705 of 21<sup>st</sup> of March 2007<sup>5</sup> for the last version), Declaration of Exchange of Goods (DEB in French) for trade with EU members, including a general and a simplified versions (Bulletin Officiel des Douanes n° 6696 of 12<sup>th</sup> of January 2007<sup>6</sup> for the last version).

The French presentation of IMTS can differ slightly from the European one for the same figures, especially for the partner country in intra-EU trade (origin or destination country in the French presentation, dispatch or arrival country in the European presentation).

As all members of the European Union, France intends to apply the SAFE framework of standards of the World Customs Organization (of which France is one of the 17 founder countries) in order to make safer the international trade system and ease the partnership with enterprises.

<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31995R1172:EN:HTML>

<sup>2</sup> [http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/l\\_229/l\\_22920000909en00140026.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/l_229/l_22920000909en00140026.pdf)

<sup>3</sup> [http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l\\_102/l\\_10220040407en00010008.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l_102/l_10220040407en00010008.pdf)

<sup>4</sup> [http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l\\_343/l\\_34320041119en00030019.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l_343/l_34320041119en00030019.pdf)

<sup>5</sup> <http://www.douane.gouv.fr/data/file/4498.pdf>

<sup>6</sup> <http://www.douane.gouv.fr/data/file/4388.pdf>

Moreover, the French national accounts are inspired by 1993 SNA via the European regulation 1995 ESA. The French balance of Payments follows directly the handbook BPM5 of IMF.

### **I Coverage and time of recording**

France follows the general recommendation to take advantage of the customs data in its calculation of International Merchandise Trade Statistics (as it is devoted to the customs statistical service in the DGDDI). In addition, it is provided with administrative declarations from the enterprises, linked with the taxation system (IntraStat system, networks of electricity and gaseous gas).

#### **A. General guidelines**

France applies the notion of « goods which add or subtract from the stock of material resources of a country », excluding transit and temporary admissions.

The merchandises are recorded at the time they enter or leave the economic (more exactly customs) territory, approximated by the date of customs clearance, which coincides with the date of VAT payability for intra-EU trade (i.e. sales in most cases).

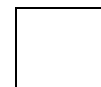
#### **B. Specific guidelines**

For the specific goods listed in the UN handbook IMTS, Rev.2 in order to be included in the detailed IMTS (1), excluded (2), or excluded from the detailed IMTS but separately recorded for the purposes of national accounts and Balance of Payments (3), the DGDDI uses numerous specific codes and treatments, which result in these records :

#### **Goods to be included in the detailed International Merchandise Trade Services**

Goods	DGDDI Treatment	Balance	National Accounts
Non monetary gold	Included	Id	Id
Unissued banknotes and securities, etc.	Included	Id	Id
Barter	Included	Id	Id
On government account	Included	Id	Id
Humanitarian aid	Included	Id	Id
For military use	Included but not detailed	Included (total)	Included level CPF4 (published 118)
Acquired by travellers > thresholds	Included	Id	Id
On consignment	Included	Id	Id
Carriers of information and software	Included	Id	Id
Goods for processing	Included	+ other source	From DGDDI
Transactions between parent corporations	Included	Id	Id
Returned goods	Included	Id	Id
Electricity, gas and water	Included	Id	Id
Through postal or courier > thresholds	Included	Id	Id
Migrants' effects	No	Id	Id
Buffer stock organizations	Included	Id	Id
Under financial lease	Included	Id	Id
Ships, aircrafts, mobile equipments	Included	Id	Id
Offshore installations (with other countries)	<i>Neglected</i>	Id	Id
Sea products on foreign vessels (in imports)	Included	Id	Id
Bunkers, stores, ballast... (in the economic territory)	No	Included (source enterprises)	Other estimation
Empty bottles (except for recycling)	Included	Id	Id
Waste and scrap value > 0	Included	Id	Id

The three main exceptions to the UN recommendations (IMTS, Rev.2) are the goods for military use, the bunkers, stores, ballast and dunnage delivered on the French economic territory, and the migrants' effects. For the goods for military use, the deviation consists only in the detail of publication, as the amounts are recorded in the total aggregates « all countries, all products ». The bunkers, stores, ballast and dunnage delivered on the French



economic territory are not included, but some informations are transmitted by the customs statistical service to national accounts. The Balance of Payments uses other sources collected by its services (transport and petroleum companies).

**Goods to be excluded from the detailed International Merchandise Trade Services**

Goods	DGDDI Treatment	Balance	National Accounts
Monetary gold	Excluded	Id	Id
Issued banknotes and securities, etc.	Excluded	Id	Id
Temporarily admitted or dispatched	Excluded	Id	Id
In transit	Excluded	Id	Id
Territorial enclaves	Excluded	Id	Id
Non financial assets	Excluded	Id	Id
Part of trade in services	Some included	Id	Recl. in services
Fish on national vessels landed in economic territory	Excluded	Id	Id
Merchanting by non-residents within the compiling country	Excluded	Id	Id
Operational lease	Excluded	Id	Id
Goods lost or destroyed... imports	Excluded	Id	Id
Empty bottles for refilling	Excluded	Id	Id
Waste and scrap value = 0	Excluded	Id	Id

The only French exception to these recommendations of IMTS, Rev.2 concerns some goods that 1995 ESA considers as parts of services and that national accounts reclassify in services : softwares developed to order, documents for engineering and technical services, artistic originals like photographs and movies (about 1,2 Billion € in importations as in exportations).

**Goods to be excluded from the detailed International Merchandise Trade Services but to record separately for the purposes of Balance of Payments and national accounts**

Goods	DGDDI Treatment	Balance	National Accounts
Mobile Equipment that changes of ownership outside the economic territory	No (but source Airbus for exports)	Id	Id
Fish on national vessels landed abroad	No	Id	Id
Bunkers, stores, ballast... (outside the economic territory)	No	Compiled with enterprises source	Other estimation
International Organizations	No	Id	Id
Goods for repair	Recorded	+ other source	like Balance
Smuggling, illegal trade	No	Id	Id
Goods lost or destroyed... after change of ownership, in imports	No	Id	Id

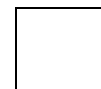
Goods for repair are recorded for transmission to Balance of Payments, but this latter uses also other sources from the enterprises (directly or via the banks). Its estimate is used by national accounts. National accounts make also estimates for bunkers, stores, ballast... outside the economic territory, while Balance of Payments compiles this item with data collected by its services (see above).

**II Trade system**

France respects the definitions and terminology of the procedures defined by the convention of Kyoto<sup>7</sup>.

Contrarily to the recommendations of handbook IMTS, Rev.2, France applies the Special Trade system (as theoretically all countries of the European Union for the purpose of European statistics) but in its "relaxed" definition as it includes trade of goods for processing and petroleum products according to the general system. France does not own « industrial free zones ».

<sup>7</sup> <http://www.wcoomd.org/fr/kybodycontenu.htm>



France does not apply the recommendation of UN, in case of special trade system in its relaxed definition, to estimate and publish « on at least an annual and a quarterly basis, with full geographical and commodity breakdowns, statistics on goods imported into or exported from premises for customs warehousing or commercial free zones ».

### **III Commodity classifications**

France uses the Combined Nomenclature, European extension of the Harmonized (Commodity Description and Coding) System, in order to compile and disseminate the International Merchandise Trade Statistics. There are about 10.000 items with 8 digits. The Combined Nomenclature takes also account of tariff aspect.

France uses also a presentation by CPF 4 digits (French version of CPA, articulated with UN CPC) and by NES (French « Nomenclature Economique de Synthèse » of national accounts, articulated with NAF and CPF).

In its presentations by enterprises, France uses also NAF for activities (French version of NACE, articulated with ISIC).

Eurostat compiles itself, from series in CN provided by France, European results presented according to SITC, Rev.3 » or its « Classification by Broad Economic Categories.

Products can also be compiled with a tariff classification: TARIC (non public data).

### **IV Valuation**

#### **A. General guidelines**

France respects the WCO agreement on valuation of trade in goods, and records, consistently with the recommendations of IMTS Rev.2 the imported goods in their CIF value, and the exported goods in their FOB value. The Single Administrative Document includes an entry for the “statistical value”, and so did the “Declaration of Exchange of Goods” until 2006.

France undertakes also regularly a survey on cost of international freight transport, known under the name « CAF-FAB » (CIF-FOB). The survey collects the following items: mean of transport, nationality of carrier, origin or destination country, terms of delivery of goods. It can so determine costs of freight by kinds of goods and countries, which are used by national accounts to estimate imports in FOB value (EU, non EU).

Since 2006, France does not collect any longer « statistical values » on the “Declaration of Exchange of Goods” for intra-EU trade, but only « fiscal values ». Although the discrepancy between « fiscal values » and « FOB values » or « CIF values » is low in intra-EU trade (-0,22% in arrivals in average, +0,02% in dispatches), the customs statistical service will perform some adjustments of « fiscal values » into « statistical values » from 2008.

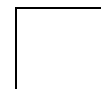
The valuation conventions for some specific operations of handbook IMTS Rev.2 (paragraph 123) are respected, i.e. non-issued banknotes and coins with their paper or metal value only, goods for processing at their gross value. Goods for repair are also recorded at their gross value, but they are excluded from detailed IMTS, and the Balance of Payments retreats them at their net value. The goods carriers of information and software are recorded for the total value of transaction in case of “standard products” only, for the lone value of the physical material if they are “developed on order”.

#### **B. Currency conversion**

The exchange rates for conversion are these established by the official authorities (European Central Bank), for a short period applicable (monthly) corresponding to the imports or exports performed.

### **V Quantity measurement**

France collects the WCO standard units of quantity, for each heading Hs at 6 digits, and when the weight is collected, this latter is « net ». Nonetheless, since 2006 and as most European countries, France has not collected the weight when another WCO standard unit of quantity is recommended.



## **VI Partner country**

France follows as much as possible the guidelines of the Kyoto convention as regards the definition of the country of origin, of consignment, of shipment, etc.

In its national dissemination, France uses the concepts of « country of origin » and of « country of destination » approximated by the « country of last known destination ». Nevertheless, the European dissemination concerning France and transferred to international organizations treat the intra-EU flows by « arrivals/dispatches », recorded in parallel by the customs statistical service.

According to the definition of IMTS, Rev.2, the « country of dispatch » recorded by the French customs seems to correspond to the recommended « country of consignment ».

France uses the country classification ISO 3166 alpha-2, which corresponds to the European NUTS 0 classification (with the exception of Great Britain).

## **VII Reporting and dissemination**

The French customs data are disseminated every month (according to the Gregorian calendar), i.e. at m+40 for the aggregated data and detailed data of intra-EU (in advance according to the Eurostat requirements) and m+70 for the detailed data of extra-EU.

These monthly, quarterly and annual publications are broadly available, for instance on the website: [http://lekiosque.finances.gouv.fr/Appchiffre/portail\\_default.asp](http://lekiosque.finances.gouv.fr/Appchiffre/portail_default.asp), with news releases, revisions introduced until 24 months after the reported period, and public information on metadata ("concepts et méthodes" section). The European data are also broadly available on [http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=0,1136217,0\\_45571464&\\_dad=portal&\\_schema=PORTAL](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=0,1136217,0_45571464&_dad=portal&_schema=PORTAL), with public information on metadata (on the same website or on CIRCA at [http://circa.europa.eu/Public/irc/dsis/eurosam/library?l=/documents\\_methodological&vm=detailed&sb=Title](http://circa.europa.eu/Public/irc/dsis/eurosam/library?l=/documents_methodological&vm=detailed&sb=Title)). We can find an interesting synthesis of the European quality reports on [http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=2173,45972494&\\_dad=portal&\\_schema=PORTAL&mo=containsall&ms=&saa=&p\\_action=SUBMIT&l=f&co=equal&ci=62992751,0&po=matchany&pi=1130674,0&an=product\\_type&ao=containsall&av=ITY\\_&as=0&ad=text&na=1&ob=41,0](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=2173,45972494&_dad=portal&_schema=PORTAL&mo=containsall&ms=&saa=&p_action=SUBMIT&l=f&co=equal&ci=62992751,0&po=matchany&pi=1130674,0&an=product_type&ao=containsall&av=ITY_&as=0&ad=text&na=1&ob=41,0).

The confidentiality rules (including passive confidentiality requested by the enterprises themselves in order to protect their economic interests) concern in average 1,5% or 2% of values and about 4% of tons. As much as possible, the first next higher CN heading which can be published without revealing indirectly a confidential figure is published without restriction.

Although Eurostat establishes and communicates « mirror flows » in order to assess the asymmetries of the intra-UE trade, pointed out in the « quality report » and showing a general bias of imports/arrivals (underestimated?) relatively to exports/dispatches (overestimated?), and above all a strong asymmetry for the dispatches from the United Kingdom to France, the work of bilateral or multilateral reconciliation are uneasy and are bothered by the confidentiality rules or by the target of diminishing the statistical burden of enterprises.

The publication of IMTS in volume is under the responsibility of national accounts and not under this of DGDDI, and it is reinforced since the suppression in 2006 of the recording of weights when other standard quantity units are recommended and collected. INSEE has above all recently developed, in the European framework, price indices for « imports » or « exports », which are more robust and more compliant with the theory of price indices.

France uses seasonal adjustments techniques « CVS-CJO » with the software X12-ARIMA since the 1<sup>st</sup> of January 2005, but Eurostat undertakes its own seasonal adjustments for intra-EU flows (OECD has also its own technique).

