



UNITED NATIONS  
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION

**Expert Group on International Merchandise Trade Statistics**  
**First meeting**  
**New York, 3-6 December 2007**

*Country Note*  
**Norway**

**Expert Group Meeting on IMTS, 3-6 December 2007, New York**

## **The Norwegian external trade statistics**

### ***1. Background***

The Norwegian external trade statistics is based upon the guidelines of the United Nation's Statistical Commission (UN): International Merchandise Trade Statistics: Concepts and Definitions (1998). This paper will shortly describe the Norwegian external trade statistics, the coverage and production of the statistics and some of the deviations from the recommendations in the UN manual.

Statistics Norway compiles its statistics from information collected by the Directorate of Customs and Excise (TAD) in Norway. Declarations based on SAD documents are submitted to the customs through the TVINN system (the Norwegian customs authorities' computerised data information system with the enterprises of the industries). Twice a week Statistics Norway receives electronically copies of these customs declarations. This comprises detailed information about all the variables in the SAD document.

### ***2. Trade system***

International merchandise statistics is usually compiled following the principles of either the general or the special trade system. The basic difference is when following the general trade system the statistical territory of a country equals the economic territory, while following the special trade system the statistical territory only comprises parts of the economic territory.

When following the principles of the general trade system, imports are recorded at the time the commodities are brought into a country from either a foreign country or from custom transit. The imports are then either released for the free circulation area, commercial free zones or placed in a custom warehouse. This implies that all goods that are physically brought in to the country are reported as imports. The same practice applies for exports. All goods that are emitted physically out of the country, from the free circulation area, free zones or a custom warehouse, are reported as exports.

The main principle in the special trade system is that exports and imports are recorded as they are passing in or out of free circulation. Following the special trade system imports do not need to be recorded as they are physically entering a country. Commodities may be stored in a custom warehouse or in free zones prior to the recording of the flow. However, the imports are only recorded as they enter the free circulation area. Exports on the other hand are reported as exports while either entering a foreign country, free zones or a custom warehouse. Commodities that are reported exported are dispatched from the free circulation area. While none free zones are operative in Norway, there are several customs warehouses in which imports and exports can be placed in.

In theory Norwegian statistics is supposed to follow the guidelines of the United Nation's Statistical Commission (UN), and the idea is to comply with the general trade system. However, there are substantial exemptions to this in the Norwegian system, primarily due to the use of custom warehouses. All merchandise entering Norway is to be registered either at the customs or at a custom bonded warehouse. A custom bonded warehouse is defined as a warehouse approved by the customs, where undeclared commodities can be stored for a fixed time determined by the customs or by regulations or legislations. This is limited to maximum ten days. In Norway four types of customs warehouses are defined (A, B, C and D), in which type A and B are not subject to immediate clearing. This implies that when commodities determined for imports enter one of these two warehouses, the commodities are not declared until they enter the free circulation area. Approximately 87 per cent of Norwegian imports are placed in warehouse A or B, hence following that Norway in reality records this trade data according to the special trade principle. Custom warehouses give firms the possibility to postpone payments of import duties till the time of use or sale. Concerning the exports, less than one per cent is placed in custom warehouses before departure.

### ***3. Coverage and time of recording***

The UN manual recommends the use of customs declarations as the main source of statistics. Norway bases its external trade statistics upon this principle, and additionally uses other sources as supplements in those areas where such declarations are not available. Statistics for some of Norway's most important export products, such as crude oil, natural gas and electricity is compiled outside the framework of a custom declaration.

The statistical territory of Norway includes mainland Norway, the Norwegian part of the continental shelf, Svalbard and Jan Mayen with Bjørnøya. However, only mainland Norway is the responsible area of the customs authorities. This implies that statistics to and from the remaining areas are collected through other sources than customs declarations.

The Norwegian import statistics comprises the commodities cleared at the time of arrival together with the commodities in custom warehouses. The latter are recorded as imports either when released into free circulation or at the time the commodities are placed in the warehouse, depending on the type of warehouse. Customs declarations of a statistical value below NOK 1000 are excluded from the statistics.

The following categories are not included in the import statistics:

- a) Consignments of goods in direct transit
- b) The catch outside the territorial waters by fishing expeditions and fishing vessels under the Norwegian flag
- c) \* Returned merchandise in return unaltered
- d) \* Returned packing material
- e) \* Merchandise replacements free-of-charge
- f) \* Merchandise for repair in Norway on foreign account
- g) \* Merchandise returned after repair abroad on Norwegian account
- h) Personal belongings; removable articles imported on transfer of residence
- i) Goods imported for the Crown and diplomatic corps
- j) Supplies under military defence agreements
- k) Commercial samples, advertising material, gifts, etc. of negligible value

- l) Monetary gold, i.e. gold exchanged between national or international monetary authorities or authorised banks
- m) Current coin; unused Norwegian postage stamps, revenue and similar stamps of current or new issue; stamp-impressed paper; bank notes, stock, share and bond certificates and similar documents of title; cheque books
- n) Bunkers
- o) Imports that are temporary, according to international conventions and recommendations (goods on loan; professional equipment; transport equipment; containers, pallets and packing materials, broadcasting and television equipment for use to transmit material abroad or to record material, goods for display or use at exhibitions, fairs, meetings and similar events, instruments and apparatus for scientific research, welfare material for seafarers)

The Norwegian export statistics comprises goods exported from Norway, recorded at the time of leaving the free circulation area or a custom warehouse. Time of recording for the latter depends on the type of custom warehouse. Dispatches not exceeding the value of NOK 5000 are exempted from the duty to declare.

The following categories are not included in the export statistics:

- a) \* Consignments of goods in direct transit
- b) \* Consignments of goods from Norway to Svalbard or Jan Mayen
- c) \* Temporary exportation of goods (goods for display or use at exhibitions, for scientific research, goods on loan, professional equipment, transport equipment in international traffic, containers, broadcasting and television equipment, etc.) to be used for not more than twelve months abroad and goods returned after corresponding use in Norway.
- d) \* Returned merchandise (claims, free repair in Norway, free-of-charge merchandise replacements from Norway, merchandise to be repaired free of charge abroad for re-imports to Norway)
- e) \* Equipment and other supplies delivered to Norwegian ships, oil platforms or air craft in foreign trade
- f) \* Merchandise for repair abroad on Norwegian account, for later re-importation
- g) \* Merchandise after repair in Norway on foreign account
- h) \* Returned merchandise (claims etc.) and returned packing material
- i) Personal belongings; removable articles exported on transfer of residence
- j) \* Goods for own use by Norwegian diplomatic corps
- k) Supplies under military defence agreements
- l) Commercial samples, advertising material, gifts, etc. of negligible value
- m) Provisions, bunkers and equipment delivered to Norwegian or foreign ships and aircraft in Norwegian harbour/airport
- n) Monetary gold, i.e. gold exchanged between national or international monetary authorities or authorised banks
- o) Current coin; unused postage stamps, revenue and similar stamps of current or new issue in the country to which they are destined; stamp-impressed paper; bank notes, stock, share and bond certificates and similar documents of title; cheque books

The mark \* indicates commodities that are exempted from the official statistics, but where the data yet are collected. These are defined with specific procedure codes describing the type of

export or import. In addition to the commodities mentioned also figures on commodities stored in different customs warehouses are recorded with specific procedure codes.

Goods imported directly from abroad to regular installations on the Norwegian Continental Shelf are not included in the statistics, whereas goods that are imported via Norwegian customs district to the continental shelf are included. This gives the possibility of direct imports to the Norwegian part of the continental shelf without the commodity imported being recorded or included in the statistics. Statistics on import to Norwegian ships in foreign waters is subject to the same issue, and such goods can be imported without declaration.

Among the products that are not directly collected from customs declarations but still included in the statistics, is data on ships, oil platforms and war vessels. Information on changes of ownerships of ships is received from the Norwegian ships' registers and additional information for Norwegian vessels under foreign flags is collected from Lloyds' Information service. Data on values and prices are collected directly from the Norwegian enterprises involved in the transactions through specific questionnaire forms sent out by Statistics Norway. Similar methods are used for oil platforms and war vessels where Statistics Norway keeps directly in touch with respectively the owners of the platform or the Defence department. Another important source for this information is media.

Statistics on electricity is collected from Nordpool, the Nordic Power Exchange. This is a multinational exchange for trading electric power that collects information and data from the trading enterprises. Statistics Norway receives preliminary figures for the current period once a month, together with final figures for the previous month. Values are calculated from spot prices.

For the case of crude oil and natural gas, figures from customs declarations are not sufficient, hence the use of other alternative sources. Preliminary data is comprised from monthly reports on exports by ship and pipeline received by e-mail from the oil and gas companies. For the final figures on exports of natural gas exported by pipelines, Statistics Norway uses official information on quantities exported and norm prices from the Petroleum Directorate. For shipments, data is directly collected from the owners.

Statistics on trade in coal from Svalbard are collected directly from the exporting enterprises.

According to the UN recommendations commodities should be included in the statistics at the time when they enter the economic territory of a country. In Norway commodities can be declared as exports before physically leaving the country. In some cases these are cancelled and the declaration is deleted, and the data will then later be revised according to this. The extent of this is unknown. Similar situations are present when commodities are stored in warehouses before declared as imports or after declared as exports. This can result in a delay in the recordings of the statistics. However, goods are only allowed to be stored for maximum ten days in a custom warehouse.

The customs authorities have implied to grant more resources to improve quality controls, especially concerning the export. This could better the difficulties with exports declared prior to leaving the country. Additionally, the customs authorities are currently preparing new routines making it less profitable for enterprises to store the commodities in a custom warehouse. If this is carried through the result would be increased direct imports, hence reducing the share of Norwegian statistics following the special trade system.

#### **4. *Commodity classifications***

Statistics Norway's figures are published on an 8 digit level, based upon the Harmonized Commodity Description and Coding System, (HS). This structure groups the commodities according to their type of physical material. While the first 6 digits follow international standards the last two are national. Statistics Norway also publishes figures on 2 and 1 digit level, following the Standard International Trade Classification (SITC rev.4). This groups the commodities by their level of processing. In addition is the SITC based Broad Economic Categories (BEC) presented on a monthly and yearly basis.

#### **5. *Valuation***

Norwegian statistics follows the UN principles in valuation of exports and imports. This implies the use of a Free On Board (FOB) valuation on exports and Cost Insurance Freight (CIF) valuation on imports. FOB is the measurement for exports recorded at a country's border, including the costs of production and transport up to the exporting country's border. Import is usually valued at CIF and is reported at the time the product reaches the border of the importing country. As opposed to FOB, CIF valuation includes the costs of the transfer to the port of the import country, such as freight and insurance, in addition to the actual purchase price.

#### **6. *Quantity measurements***

Trade statistics is collected with net weight in kilograms except for imported goods where the duty is calculated on the basis of net weight plus packaging (e.g. canned goods). Also quantity in supplementary unit according to the Norwegian custom's nomenclature is published.

For several Norwegian importers and exporters reporting quantities have been problematic, both in terms of weight and supplementary units. This is a challenge for Statistics Norway that in addition to publish figures on values and quantities also attempts to estimate prices in terms of weight and quantity. Another significant problem is importers and exporters use of computerized automatic weight systems when recording the custom declarations. These systems calculate weight and quantity with basis in value and in earlier practice. Often this results in unreasonable figures when unit prices are estimated.

#### **7. *Partner country***

The Norwegian figures on imports are recorded with country of origin and country of consignments. For exports the last known country of destination is recorded. For trade in ships the trade partner country is determined by the country of residence of the owner, a legal person.

The commodity codes used in the Norwegian custom declarations are following the international standard ISO- 3166, alfa 2-codes.

*Country of origin* (country of production) is for raw materials defined as the country in which the goods have been produced and for manufactured goods as the country where the final

processing took place. For goods originally produced in Norway having been exported and later re-imported, the country of consignment is recorded as country of origin.

*Country of consignment* is defined as the country from which the goods have been dispatched to Norway without any intervening commercial transaction (transshipment not counting). An invoicing exporter being a resident of a third country is of no consequence in this connection.

*Country of destination* is defined as the country, which at the time of exportation, is the last known country to which the goods are shipped, directly or through other countries, without any commercial transaction intervening (transshipment not counting).

## **8. Reporting and dissemination**

When received from the custom authorities Statistics Norway performs a quality control on the custom declarations to reveal any potential errors. Misclassification of goods, wrong information on quantity, mistaken country codes or lack on correct information about statistical values are some examples of errors in the custom declarations.

Declarations with unusual partner countries or commodities are double checked, in addition to declarations with partner countries and commodities that are often subject to errors. For the same reasons some enterprises are regarded separately.

Further Statistics Norway compares the imports and exports each month to look at the development within the different variables in the customs declarations. Estimated unit prices of commodities imported and exported are automatically checked with a maximum/minimum price control and are compared with previous months, other countries and different commodities. Lists with questions concerning suspicious declarations are sent back to the customs for additional controls. These are later returned to Statistics Norway, where the figures are re-revised. Preliminary figures are published each month. Final figures for a year are published in April the following year.

Data that could reveal sensitive information about individual firms is suppressed in the Norwegian trade statistics if required from the trading enterprises. The presence of only few Norwegian actors on the international market often magnifies this problem. When Norway reports trade statistics to the UN, commodities are reported on a detailed 6 digit HS level. Since Norway does not report these figures aggregated and adjusted with the levels of confidentiality, then the figures in the UN Comtrade database might be undervalued for those commodity groups that are subject to suppression in the Norwegian data on a detailed level. There is, however, no confidentiality problems present in the Norwegian published data on 1 and 2 digit SITC level.