

Project 06/07K: Strengthening the Development of International Merchandise Trade Statistics (IMTS) and the compilation of e-commerce in Member Countries of the Economic and Social Commission for Western Asia (ESCWA)

## **Workshop on the compilation of IMTS and the application of methodological concepts**

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# **Overview of current revision processes**



**Presentation by Matthias Reister**  
Chief Commodity Trade Statistics Unit,  
United Nations Statistics Division, International Trade Statistics Section,  
2 United Nations Plaza, DC2-1540, New York, New York 10017,  
Phone: (917) 367-7098, Fax: (917) 367-5106, e-mail: [reister@un.org](mailto:reister@un.org)

## Current and completed revision processes

- Update of System of National Accounts (1993 SNA, Rev.1) scheduled for approval by Statistical Commission (SC) in 2008
- Revision of Balance of Payment Manual (BPM6) available by late 2008
- **Manual on Statistics of International Trade in Services (MSITS, Rev.2) for SC approval in 2009**
- Harmonised System 2007 in force as of 1 Jan. 07
- Standard international trade classification (SITC) Rev. 4, plus correlation tables now available
- **Revised Kyoto convention entered into force 3 February 2006**

## Changes in SNA/BPM affecting the relationship between SNA/BPM and IMTS

Two definitions of international trade:

**IMTS records the physical movement of goods across borders**

**International trade according to BPM/SNA intends to cover the change of ownership of goods between resident and non-resident**

Changes in the SNA/BPM6 are mostly due to stricter application of the change of ownership principle

# Changes in SNA/BPM affecting the relationship between SNA/BPM and IMTS (continued)

IMTS provides in general the basis for trade in the BPM

→ adjustments to trade according to IMTS have to be made in order to arrive to trade for BPM purposes – in other words the bridge table between IMTS and BPM has to be modified

- **Exclude** from IMTS goods for processing without change of ownership (instead recording of a service transaction)
- + **Include** merchanted goods in a special way in the goods account as change of ownership takes place (not a service anymore)
- **Exclude** migrants effects as no change is taking place

## Changes that will former differences make disappear

- Goods acquired by travelers in excess of customs threshold will be included in SNA/BPM trade in goods
- Goods for repair – all repairs will be recorded under trade in services
- agreement that standard software, video and audio recordings delivered electronically is not trade in goods

# Consequences of the changes in SNA/BPM

For some countries there will be **huge differences** between trade recorded by IMTS and BPM compilers mostly due to the different recording of goods for processing and merchanting

IMTS compilers might be requested to provide assistance in the identification of goods for processing without change of ownership

**Please note that concepts and definitions for IMTS remain unchanged !!!!**

# Recommendations for international merchandise trade statistics

**IMTS Concepts and Definitions, Rev.2 (1998)**

**→ Work on Rev.3 (2010?)  
has started**



**IMTS Compilers Manual (2004)**

<http://unstats.un.org/unsd/pubs/gesgrid.asp?id=111> (free download)

<http://unstats.un.org/unsd/pubs/gesgrid.asp?id=317> (free download)

## Purpose/ reasons for revision of IMTS

- Changes in the ways international merchandise trade is conducted (e.g., increasing globalization, outsourcing, expansion of intra-firm trade and transactions with bundled goods and services components, spreading of e-commerce);
- Changes in legal environment in which international trade transactions are conducted and which affect availability and contents of the main source of trade data - customs records (e.g. abolition of customs borders or simplification of customs procedures by many countries; new developments regarding rules of origin of traded goods; various experiences in interpretation and application of the WTO valuation agreement);
- Need for more extensive use of non-customs data sources to supplement customs records;
- Review of the existing recommendations for internal clarity and completeness;
- Addition of new recommendations regarding metadata, data quality and dissemination;
- Ever increasing user demands;
- Need for a further harmonization with other economic statistics including with the revised SNA93, forthcoming BPM6 and the revised Manual on SITS.

# General outline for revision process of IMTS

- **2007 - Discussion of revision plan, formation of expert group which will meet in December 2007 the first time to decide on initial list of issues**
- **2008 - Proposal to the UN Statistical Commission (SC)**
- **2007-2009 - World-wide consultation**
- **By November 2009 - Completion of the revised manual**
- **2010 – Approval by SC**
  - Experts are invited to participate in the electronic discussion group (EDG) at <http://comtrade.un.org/ef/>



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