

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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# **Valuation issues**



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# Recommendations regarding valuation

**9. Adopt the WTO Agreement on Valuation as the basis for valuing international merchandise trade for statistical purposes.**

**10. Use a cost, insurance and freight (CIFtype) valuation for imports (border of importing country) and a free on board (FOBtype) valuation for exports (border of exporting country).**

**11. Countries which use CIF-type values of imports to collect separately data for freight and insurance, at the most detailed partner/commodity level possible, to derive FOB-type values.**

**13. Where conversion of currency is necessary, use the rate of exchange duly published by the competent national authorities of the country, reflecting the current value of such currency in commercial transactions in terms of the currency of the reporting country, and which is in effect at the time of importation or exportation.**

# Valuation & Currency Conversion

		All Countries	Workshop Countries
7.01	Are you using provisions of the WTO Agreement on Valuation as the basis for calculating the statistical value of goods ?		
7.02	Is the statistical value of imported goods a CIF-type value?		
7.03	Are data for international freight and insurance associated with the importation of goods available separately?		
7.04	Do you compile and publish value of imported goods as a FOB-type value?		
7.05	Is the statistical value of exported goods an FOB-type value?		
7.06	Do you record and maintain information on the currency which was used in specifying the value on the customs declaration?		
7.07	In conversion of foreign currencies into national currency, do you use a rate published by the official authorities of your country?		
7.08	If both buying and selling rates are available, do you use for conversion purposes a midpoint between the two?		
7.09	Do you use the exchange rate which is in effect at the date of exportation or importation?		
7.1	If an exchange rate is not available for the date of exportation or importation, do you use the average rate for the shortest period applicable?		

CIF for imported goods

If insurance and freight are collected separately, it is possible to have FOB import (used in BOP)

FOB for exported goods

■ Yes ■ No □ N/A

# Valuation at Customs

**The Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (WTO Agreement is obligatory for all WTO members and Article 1 specifies that “1. The customs value of imported goods shall be the transaction value [...].”**

**Yet,**

- can include and exclude certain costs as the cost of insurance**
- agreement only applies to imports**

**=> In general Customs requires FOB And CIF value to be placed on declaration by traders**

**=> Yet, occasions when trade statistics need to examine supporting documents (1) either to establish transaction value (2) or to identify insurance and freight costs**

# Questions to countries – Part 1

**We would like to know very precisely**

- (a) if you use the INCOTERMS and if you make adjustments to the invoice price (see Table B.1 and B.2 in the IMTS Compilers Manual),**
- b) if Customs makes those adjustments, or if Statistics makes those,**
- (c) if Freight and Insurance are available per transaction, and**
- (d) how the registration of Freight and Insurance are exactly done.**

**Maybe you could provide your ideas on the problems involved in giving Imports FOB at detailed commodity by partner level.**

## Questions to countries – Part 2

**We would like to ask you in addition if you could make a statement on Quality Control, specifically in relation to the establishment and reporting of statistical value.**

**In particular how do you establish the statistical value for**

### **1) trade without prices such as**

- barter agreements based on quantities
- food/ humanitarian aid
- goods on consignment
- migrants' effects, gifts

### **2) trade under special arrangements**

**(how do you recognize those)**

- goods for processing (with and without ownership change)
- trade between affiliated parties
- goods which include services contract (i.e. copy machine)
- goods under financial lease (might also include services, i.e. airplanes)

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