Good quality of international merchandise trade statistics (IMTS) is crucial for analyzing economic development at national and international level. The current merchandise trade data in the ESCWA region is inadequate and suffers from a number of weaknesses including poor coverage, non-compliance with IMTS recommendations, improper treatment of confidentiality and insufficient treatment of e-commerce. One reason could be a lack of coordination between the national statistical offices (NSOs), customs authorities (Customs) and other institutions involved in recording and processing of IMTS data.

Development account project K entitled “Strengthening the Development of International Merchandise Trade Statistics and the Compilation of e-Commerce in Member Countries of the Economic and Social Commission for Western Asia (ESCWA)”, is proposed to improve this situation. The duration of the project will be 36 months and will start in 2006. ESCWA will be the lead entity working in partnership with mainly UNSD and some other agencies like FAO, UNCTAD and Eurostat. The project will carry out a number of activities including 5 workshops and 2 series of country missions.

Target beneficiaries of the project are trade compilers in national statistical offices, customs authorities and other national institutions involved in compilation of international merchandise trade data in all 13 ESCWA member states, namely, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, the Syrian Arab Republic, United Arab Emirates and Yemen. Decision makers, academic institutions and research centers will also benefit from and enjoy the availability of timely quality IMTS data.

The project’s strategy will focus on refining the methodologies of compilation, processing and dissemination of trade data, improving the coverage and the quality of trade data collected and promoting the knowledge of the standard concepts and definitions.

The overriding objective of the project is to assist ESCWA member countries in developing and improving their capacity to collect, process, analyze, utilize and disseminate trade data for the formulation, monitoring and evaluation of national plans and policies for international and regional trade negotiations.

Five regional workshops will be conducted. The first workshop will bring together customs officers and trade statisticians from the national statistical offices to discuss the issues raised during the pre-mission at the national level. Issues of concern are the status of automated import and export declaration routines at Customs, the links between the main customs offices and the remote offices, the amount of declarations still produced on paper, the available fields on the customs declaration, the
The latest developments regarding UN Comtrade is the new entry page: UN Comtrade’s web portal at http://comtrade.un.org. The portal gives entry to 6 different applications of the UN Comtrade system, namely (1) the well-known database, (2) the trade publications, (3) the knowledge base, (4) the expert forum, (5) the community forum and (6) the web services. The UN Comtrade database is the core of the system with the world wide detailed trade data and the powerful extraction tools. The knowledge base – which is an integrated part of the UN Comtrade database – can also be queried separately for those who want a better understanding of what is behind the numbers.

The second workshop will bring back the NSO trade statisticians to follow-up on the correct application of the IMTS recommendation and validity checking with hands-on relation to the national data sets. UNSD will present the Compilers Manual to IMTS and discuss some current issues of data compilation. The third workshop focuses on the issue of import and export trade indices, whereas the fourth one will include the issue of e-commerce.

The fifth and final workshop will be organized at the end of the project to discuss overall implementations of the project and perform evaluation of the whole project for future plans. The focus of this work shop will be on lessons learned and on sustainability of capacity in compiling IMTS data in this region. Details for a trade statisticians’ network will be discussed, including an Internet forum specifically for the trade statisticians of the ESCWA member states and a plan for an active exchange program to the benefit of less advanced regional offices.

DATABASES AND PUBLICATIONS:
UN Comtrade’s new web Portal

For merchandise trade data by commodity and partner country please visit UN Comtrade at http://comtrade.un.org/
WTO's World Trade Report

In July 2006, the World Trade Organization (WTO) released its annual World Trade Report (WTR 2006). This year’s report has a special focus on subsidies, exploring their definition, the reasons why governments use them, as well as the most prominent sectors in which they are applied. It also highlights the role of the WTO Agreement in regulating subsidies in the context of international trade.

The report examines 2005 trade developments and includes four essays; on textiles and clothing trade trends, flows of international receipts, trade trends of least-developed countries and the trade impact of natural disasters and terrorist acts.

COOPERATION WITH COUNTRIES AND AGENCIES:
WORLDWIDE CONSULTATION ON STATISTICS OF INTERNATIONAL TRADE IN SERVICES

The Manual on Statistics of International Trade in Services (MSITS), published at the end of 2002, provides a base for addressing the information needs of trade negotiators and analysts. It consists of two basic frameworks:

1) Regarding trade in services between residents and non-residents: The IMF Balance of Payments Manual Fifth Edition (BPM5), currently under revision

Thus MSITS provided a kind of satellite accounts, anchored in the 1993 SNA, the international accounts, trade in services, and services production. But MSITS extended the concept of trade in services beyond the traditional national accounts view and considers mode of international service delivery from the perspective of trade negotiations.

However, the current revisions and updates of the 1993 SNA, BPM5, the International Standard Industry Classification (ISIC), and the Central Product Classification (CPC), as well as developments in related statistical frameworks, make necessary to update MSITS. Thus, the Interagency Task Force on Statistics of International Trade in Services (TFSITS) has agreed to produce an updated MSITS by the end of 2008, and submit it for approval to the UN Statistical Commission (UNSC) in 2009.

For this purpose, a worldwide consultation on several issued has been conducted, including:

- Impact of the BPM5 and 1993 SNA revisions. For example, the Extended Balance of Payments Services Classification (EBOPS) will need to be reviewed. However, changes not reflected in the aforementioned revisions should be limited in scope.
- Measurement of modes of supply of services. MSITS envisaged that a future revision

(Continued on page 4)
Alain Gaugris, our new UNSD staff member in charge of International Trade in Services, was received at Statistics Canada, in Ottawa, from November 6 to 9, 2006. The purpose of this visit was to familiarize himself in all detail with the compilation of SITS in a NSO. Statistics Canada, and especially Mr. Denis Caron, Chief of the Balance of Payments Division, kindly arranged this three-day training course for one of our young professionals in the Trade Statistics Branch.

(Continued on page 5)
YOU HAVE ASKED US:

**APPROPRIATE USE OF DIFFERENT CLASSIFICATION SYSTEMS**

**Q:** When do I have to use which system of classification? I do not know if I should take SITC Rev.1 or HS2002, for example. Could you please tell me which classification is normally used?

**A:** In general, the rule of thumb is: Use older classifications (SITC, Rev.1 and SITC, Rev.2) to obtain long time-series, and use recent classifications (HS-2002 and HS-1996) for more detailed information.

The drawback of using SITC, Rev. 1 is that a lot of modern technology was not available at the time of the introduction of this classification (around 1960), which means for instance that it is difficult to find the classification for PCs, fax machines, color printers or mobile telephones (to name a few).

The newer classifications (like HS-2002) have more clearly defined commodities for those mentioned items, but have been in use only recently. This means that only a few years of data are available under these classifications.

YOU HAVE ASKED US:

**IMPLICATIONS OF EU ENLARGEMENT IN 2004**

**Q:** Why are there differences between data reported by individual countries and EU25 reported data in Comtrade?

**A:** The EU-25 in the UN Comtrade database is an economic grouping created for statistical purposes. It does not have a political background. To create a time series, we have produced data of the economic grouping of EU-25 for the period 1999 until 2004. The Statistical Office of the European Union (Eurostat) itself has provided us with the data for EU-25, which is composed of all countries that belong to the EU as of 2004.

EU-25 is regarded here as one entity, which trades with the rest of the world. Intra-EU trade does not make part of it. This means, for example, that trade of Italy with other EU member states is not part of EU-25 trade. However, the trade of Italy with countries outside of the EU-25 will be taken into account.

We have received data from Eurostat for the years 1999 until 2004 in SITC Revision 3, for 1999, 2000 and 2001 in HS-1996 and for the years 2002 and 2003 in HS-2002. Thus far, we have not converted data of EU-25 to the other classifications, since it does not have the same status as a reporting country. For an overview of the data availability, please see http://comtrade.un.org/db/mr/daReportersResults.aspx?r=97

This training programme has provided to our staff members valuable inside information on the methodological and practical aspects of Canadian approach to gathering and disseminating International Trade in Services statistics, which will be extremely useful for the long-term work programme of the Statistics Division as well as for their professional development.
UPCOMING EVENTS:

WORKSHOP ON INTERNATIONAL MERCHANDISE TRADE STATISTICS, BANGKOK

The United Nations Statistics Division (UNSD), in cooperation with the Economic and Social Commission of Asia and the Pacific (UN/ESCAP), will organize an **International Workshop on Country Practices in Compilation of International Merchandise Trade Statistics (IMTS)** in Bangkok, Thailand, from December 12 to 15.

This workshop is part of a special effort of UNSD and UN/ESCAP to improve quality and availability of IMTS data of the South and South-East Asian countries, both to the national users and to the UN Comtrade database.

In the workshop, participants will reviewed country practices in compilation against the current recommendations available in International Merchandise Trade Statistics, Revision 2 (IMTS, Rev.2).

UPCOMING EVENTS:

ITDU CONFERENCE IN WASHINGTON DC

On December 5 and 6, the International Trade Data Users, Inc. (ITDU) is organizing in Washington, D.C. a conference and workshop to discuss the nature and impact of major changes that will be made to the Harmonized System (HS) beginning in January 2007.

The conference will include presentations by experts of the International Trade Commission (ITC), the U.S Census Bureau, the United Nations Statistics Division (UNSD), as well as other public, private and academic institutions. The Workshop will focus on trade data collection and processing experiences. In it, UNSD will discuss their worldwide Comtrade database system and demonstrate Internet access to it.

ITDC is a not-for-profit organization promoting “accuracy, understanding and utilization of trade and transportation information—as well as interaction between data producers and users.”

UPCOMING EVENTS:

9TH RECOMEX Meeting in Montevideo

From October 16 to 20 this year, the Latin American Integration Association (ALADI) is organizing its 9th Technical Meeting of Government Agencies Responsible of Providing Statistical Information on External Trade (IX RECOMEX).

The meeting, which will take place in the association’s headquarters in Montevideo, Uruguay, is a forum that brings together delegations of staff from national statistical offices, customs administrations and, in some cases, central banks from the ALADI region. In addition, representatives from UNSD and other international organizations will participate as observers.

EDITORIAL NOTE

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