UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL
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STATISTICS DIVISION

COMMON MARKET FOR EASTERN AND
SOUTHERN AFRICA

**Workshop on the updated and new recommendations
for International Merchandise Trade Statistics (IMTS 2010)
and their implementation in countries of the Sub-Saharan region,
Lusaka, 1-5 November, 2010**

Final Report
(December 2010)

Organization, purpose and participants

The United Nations Statistics Division (UNSD), Department of Economic and Social Affairs (DESA) in cooperation with the Common Market for Eastern and Southern Africa (COMESA) organized a **workshop on the updated and new recommendations for International Merchandise Trade Statistics (IMTS 2010) and their implementation in countries of the Sub-Saharan Region**. The workshop took place from 1-5 November 2010 in Lusaka, Zambia.

At its forty-first session (23 - 26 February 2010) the Statistical Commission adopted *International Merchandise Trade Statistics: Concepts and Definitions 2010* (IMTS 2010) and endorsed the implementation programme as contained in the Secretary General's report, including the preparation of the revised IMTS Compilers Manual and continued technical assistance activities.

During the workshop, countries were introduced to the new and updated recommendations as contained in the IMTS 2010 and shared their experiences in the compilation of IMTS and the implementation of the international recommendations (old and new) on IMTS. They also identified issues and best practices for inclusion in the updated IMTS Compilers Manual.

The following 22 countries participated in the workshop: Botswana, Burundi, Comoros, Democratic Republic of the Congo, Egypt, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Sudan, Swaziland, Uganda, United Rep. of Tanzania, Zambia (one day only) and Zimbabwe. Each country was represented by one staff member from the national statistical agency responsible for the overall IMTS compilation and dissemination except South Africa which was represented by two participants: one staff member from the customs and another staff member from the national statistical office. The following organizations were represented as well: two participants from the Southern African Development Community (SADC), one participant

from the Southern African Customs Union (SACU) and one participant from the International Trade Center (ITC). COMESA, the host agency, was represented by 5 staff members.

Summary

Opening session: Mr. Stephen Karangizi, Assistant Secretary General - Programmes of the COMESA opened the workshop by welcoming the participants and stressing the importance of IMTS statistics in monitoring economic growth, evaluating structural change, and in making assessments of how macro level actions impact on the poor and their social conditions. Then, Mr. Matthias Reister, Chief of the International Trade Statistics Section of UNSD welcomed the participants on behalf of Paul Cheung, Director of the United Nations Statistics Division, and introduced the workshop.

After the formal opening UNSD explained the purpose and organization of the workshop and the meeting adopted the agenda. UNSD introduced its activities in the field of International Merchandise Trade Statistics and provided a presentation on the revision of the international recommendations for IMTS and its implementation, including the introduction of the results of a questionnaire on IMTS implementation. COMESA provided a presentation on its activities in the field of international trade statistics followed by a presentation by the SADC Secretariat on its programme on the harmonization of IMTS.

Session 2: Scope and time of recording and Trade system (General guidelines for IMTS; Specific guidelines: inclusions and exclusions inter alia Goods for processing, Trade between related parties, Fish catch and bunkers/ Clarification of territorial elements; General vs. Special trade system; Free zones, Recording of custom procedure codes; Reimports and re-exports; Other concerns). The introduction by UNSD was followed by country presentations from Congo, D. R.; Madagascar, South Africa, United Republic of Tanzania and a round table discussion.

Session 3, part 1: Commodity classification and quantity measurement (Review of recommendations; Correspondence tables / Recommendations regarding the recording of quantity information; Uniformity of reported quantity information, Other concerns). The introduction by UNSD was followed by country presentations from Ethiopia, Seychelles, and Sudan.

Session 3, part 2: Valuation (Statistical value of imports and exports; Recommendations; Valuation in certain categories of goods, i.e. electricity, gas and water; Compilation of Imports FOB in addition to Imports CIF; Currency conversion). The introduction by UNSD was followed by country presentations from Congo, D. R., Namibia, and Uganda.

Session 4 : Partner country, Mode of transport (Country of origin and country of consignment for imports; Country of last know destination and country of consignment (destination) for exports; Reimports and re-exports (rules of origin); Other concerns / Mode of transport - What to record; How to classify). The introduction by UNSD was followed by

country presentations from Burundi, Seychelles, Sudan, Zimbabwe and a round table discussion on the topics covered in sessions 3 and 4.

Session 5 and 6: Data compilation strategies, institutional arrangements (Use of Customs and non customs data sources; institutional arrangements; Informal Cross Border Trade). The introduction by UNSD was followed by country presentations from Botswana, Burundi, Kenya, Lesotho, Mauritius, Mozambique, Namibia, Rwanda, Uganda, Zimbabwe and a group discussion.

Session 7 part 1: Data quality and metadata (Systematic approach to data quality; quality reports; quality measurement framework; quality measures and indicators; cross-country comparability; recommendations on metadata; list of metadata items). The introduction by UNSD was followed by country presentations from Comoros, Egypt, Ethiopia, Kenya, Malawi, Mozambique Rwanda, South Africa, Swaziland and a presentation by ITC on the identification of quantity outliers.

Session 7, part 2: Additional topics and tools. ITC's presentation on its market analysis tools was followed by a presentation by COMESA on Eurotrace.

Session 8, part 1: Dissemination (Statistical confidentiality; data dissemination timetable, data revision; dissemination strategy). The introduction by UNSD was followed by country presentations from Botswana, Malawi, Mauritius, United Republic of Tanzania and group discussion of the topics covered in part 1 of session 7 and part 1 of session 8.

Session 8, part 2: Compilation and dissemination of regional trade statistics. COMESA presented the amended regulations for Compiling and Disseminating IMTS in the COMESA Region; it was followed by statements of the Southern African Development Community (SADC) and the Southern African Customs Union (SACU) on their activities.

Session 9, part 1: Supplementary topics (External trade indices; Relationship and differences to national accounts and balance of payments statistics - bridge table between IMTS 2010 and BPM6; Linking business and trade statistics): The introduction by UNSD was followed by a brief general discussion.

Session 9, part 2: Overview of the UN Comtrade database and IMTS Analytical Outputs; UN Comtrade enhancement programme; UN ServiceTrade: an overview of UNSD activities in trade in services, COMSTAT online database). The presentations/ live demonstrations by UNSD were followed by a presentation of COMESA.

Closing session: Round Table Discussion: Identification of the important issues for the participating countries; Presentation of the preliminary findings and conclusions of the meeting; The meeting concluded with closing remarks by UNSD and COMESA.

Findings and conclusions

1.   The meeting concluded:

Scope and time of recording

2.   that the implementation of the new and updated recommendations on scope and trade system depends on the cooperation and discussions with the agencies involved in compilation, in particular with customs; that, in general, countries want or plan to implement the new recommendations;

3.   that the recording of ships and aircraft is considered as being of less significance for some countries of the region, that many countries have established sources for capturing trade in this category of goods such as the maritime organization, the aviation authority etc., and that some countries indicated that further examination of this issue is required;

4.   that in many countries trade in particular categories of goods such as goods for processing can be identified via available customs procedure codes if these are made available by customs, but that the identification of trade between related parties is more difficult and would need to be discussed with customs;

5.   that the recording of bunkers, stores, fish catch etc. is considered as being of less significance for some countries of the region and that in some countries this trade appears as being not sufficiently captured, in particular when taking place outside the economic territory;

6.   that goods for processing and non-monetary gold are to be included in trade statistics;

7.   that countries may wish to use one year (or less) of stay as an approximation for temporary admission; one condition for goods temporarily admitted is that these goods can be withdrawn/returned in the same state (except for normal wear and tear) – see IMTS 2010, para. 1.39 and 1.43-1.44;

8.   that according to IMTS 2010, para. 2.22 the time of recording under the general trade system should be the time when goods are entering or leaving the economic territory, which in the case of a customs-based data-collection system can be frequently approximated by the date of lodgement of the customs declaration. However, COMESA informed that countries using ASYCUDA are recommended to use the assessment date because in the ASYCUDA system only records which have been assessed can be extracted; the use of the registration date in ASYCUDA would be problematic and is not recommended.

Trade System

9.   that several countries moved to the general trade system in recent years but that many countries in the region can and do produce trade statistics according to both general and special trade system as the required information is available from customs; data according to the special trade system is needed in some countries by the revenue service;

10.   that in many countries re-exports are separately identified but not reimports – numerous countries consider identifying reimports in the future;

11.   that in many countries the agency responsible for IMTS compilation already has access to custom procedure codes;

Commodity classification

12.   that all countries use the Harmonized System (HS) for data compilation and that many countries use the Standard International Trade Classification (SITC) for analysis;

13.   that the identification of the activity of the trader is preferable to the conversion of HS data into ISIC. One way to identify the activity of the trader would be to link the identification codes used by customs for clients/ traders with the business register;

14.   that some countries convert their HS data into earlier versions of HS or into SITC; that for some countries practical guidance or an example could be useful to illustrate the data conversion from 8-digit HS based codes to SITC;[1]

Quantity measurement

15.   that countries follow in general the recommendations on the reporting of quantity information but that there are various problems with the information provided by customs such as missing quantities, incorrect quantities or quantities provided in quantity units different from WCO recommended standard units of quantity, partly due to a lack of awareness and interest at customs;

Valuation

16.   that information on imports valued FOB (in addition to imports valued CIF) is in principle available in many countries; however, provision of this information requires in many cases discussion with customs; that in many countries information on cost, insurance and freight is in principle available from customs recording but that quality issues might exist;

17.   that the value of goods transactions without valuation such as barter trade should be established in accordance with the WTO agreement on Customs Valuation that is reproduced in IMTS 2010, Annex D and which provides guidance for such cases, such as using the transaction value of identical goods (see IMTS 2010, para 4.16);

18.   that goods for processing should always be valued at their full (gross) value;

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[1] The most detailed level of the HS consists of 6-digit codes (subheadings). Any additional digits added to the 6-digit codes are national (or regional) extensions which are understood to provide additional breakdown of the 6-digit HS codes. All basic 4- or 5-digit headings of SITC, Rev. 4 (except for 911.0 and 931.0) are defined in terms of HS 2007 subheadings (see SITC, Rev. 4, available for download at: http://unstats.un.org/unsd/trade/sitcrev4.htm). Hence, data available in HS 2007 can be easily converted into SITC, Rev.4 in a mechanical way without encountering any methodological issues. The conversion of HS 2007 data into earlier versions of SITC or HS is conceptually more difficult. The conversion tables used for UN Comtrade and methodological notes on how the conversion tables were developed are available on the UNSD website at: http://unstats.un.org/unsd/trade/conversions/HS%20Correlation%20and%20Conversion%20tables.htm.

19.   that individual trade transactions expressed in different currencies should be converted into a single unit of accounts using the current rate of exchange in effect at the time of exportation or importation (see IMTS, paras. 4.19-4.20) – the current rate of exchange is understood to be the daily rate if available; this has to be distinguished from the case when the trade dataset available for dissemination is converted to another currency where it is common practice to use appropriate average rates of exchange;

20.   that electricity (gas, oil and water) should be valued net of any delivery charges not included according to FOB- or CIF-type valuation (IMTS 2010, para. 4.15(c) but that additional guidance or examples should be provided in the updated IMTS Compilers Manual;

Partner country

21.   that, in general, countries record the country of origin for imports and the country of last known destination for exports; only a few countries have in addition country of consignment;

22.   that the definition of country of consignment (when goods are not being subject to any commercial transactions or other operations in any intermediate country which change their legal status, see IMTS 2010, paras. 6.4 and 6.11) requires further explanation;

Mode of transport

23.   that in almost all countries present at the workshop information on mode of transport is in principle available;

24.   that the compilation of multiple modes of transport should be further explained; that the compilation of multiple modes of transport should be set up in a way that allows to provide information on mode of transport according to the international recommendations (IMTS 2010, para. 7.1) as the means of transport when entering or leaving the economic territory;

Data compilation strategies, institutional arrangements

25.   that, in general, all countries have a long term strategy for data compilation, plan to cooperate with customs on the use of information contained in the customs procedure codes and plan to make the customs procedure codes part of the dataset for trade statistics (which is easily possible in Eurotrace), although the quality of the information on customs procedure codes is at times in doubt;

26.   that the majority of countries has access to accompanying information (such as invoice, certificate of origin etc.) only upon special request;

27.   that almost all countries present at the workshop consider to follow an integrated approach to economic statistics when using non-customs data sources, although further explanation on how to follow such an integrated approach is required;

28.   that countries agree with the description of effective institutional arrangements contained in IMTS 2010, para. 8.6, especially concerning the importance of working groups and MOU's between the agencies involved in IMTS compilation;

29. that all countries periodically review the definitions, methods and trade statistics; however the direct participation in the discussion of national legislation and regulations varies as direct participation might not be appropriate in some countries present at the workshop;

30. that a committee or working group on international trade which comprises all data providers can be a very important and effective instrument for achieving and ensuring the high quality of trade data; that visits at customs and efforts to raise their awareness for the requirements of trade statistics can be an effective way to increase data quality;

31. that informal cross border trade is important in many countries and that cross border surveys can be an effective way to capture it and that its results should be integrated into the dataset of trade statistics; further, countries should share their experiences in order to improve their practices;

Data quality

32. that all countries want to or have interest in establishing or further developing their existing quality reports and that additional guidance and especially examples would be useful; quality reports can be either user or producer oriented;

33. that all countries either conducted or want to conduct reconciliation studies which are considered as an important instrument to increase data quality; however, such studies have been often limited to discussions of particular data problems;

34. that quantity information is often of poor quality and that improvements have to go to the root of the problem which is the recording at customs; that current efforts to identify outliers and estimate missing quantities at international level are work in progress and that more should be done to address this issue;

Metadata

35. that many countries cover most of the metadata categories indicated in IMTS 2010, para. 9.23; however the category quality reporting is in general not covered and the category description of estimation methods is in general not applicable in the workshop countries;

Data dissemination

36. that all countries follow at least some of the recommendations of IMTS 2010 on data dissemination and that countries in general want to follow these recommendations; however, in general, an advance release calendar is not available;

37. that confidentiality of information of companies responsible for the majority of trade in a specific commodity has to be viewed in light of the information already available in the public domain and legitimate requirements of users for information; that it might be difficult to make information confidential when its share of the total trade is very significant;

38. that many countries undertake additional efforts to make their data available more easily;

Supplementary topics

39.   that countries require additional information on the calculation of trade indices, seasonal adjustment and the linking of trade and business statistics.

Feedback regarding the update of the IMTS Compilers Manual

40.   that the updated IMTS Compilers Manual should provide more guidance/ best practices and examples regarding various chapters, in particular chapter 3 Non-customs administrative sources, 4 Enterprise surveys, 9 Data quality, 11 Integrating trade and business statistics, 15 Quantity measurement, 19 Goods for processing, 20 Goods which cross the border as a result of transactions between related parties and 23 Other special categories of goods (mentioned multiple times as result of the group discussions or mentioned three times or more by individual countries);

41.   that chapters 25 Metadata and 26 Dissemination should provide some additional information and examples; however the recommendations in IMTS 2010 on these topics are viewed to a large degree as self-explaining;

42.   that several countries indicated willingness to provide input to some chapters of the updated Compilers Manual.

Priorities of countries

43.   that implementation of IMTS 2010 is the top priority of countries;

44.   that linking of trade and business statistics is a very important issue for many countries;

45.   that, while all issues covered by IMTS 2010 are considered important the following were mentioned in particular (multiple times): data quality, quantity information, dissemination, mode of transport and partner country; also institutional arrangements, compilation strategies, use of other data sources, capturing informal trade.