International Merchandise Trade Statistics: Compilers Manual

An Overview

United Nations Statistics Division

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Original 1970  
First revision 1992  
Last (second) revision 1998:  
  • general update  
  • accordance with SNA 1993  
  • accordance with BPM5
Usage of IMTS

TYPES OF USAGE
- General economic policy
- Trade policy
- Market analysis
- Supply balances
- Infrastructure planning
- Input for other statistics: transport statistics, SNA and BOP, price-indices

USER CATEGORIES
- Government
- Parliament
- Research Institutes
- Education Institutes
- Public Media
- Private sector Businesses
- General Public
- International Institutions
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Conceptual framework

• IMTS, Rev.2

• The 1993 SNA, BPM5 and Manual on International Trade in Services

• The WCO conventions: Kyoto Convention on customs procedures, the Harmonized Commodity Description and Coding System convention

Institutional framework

• Roles of national statistical offices, customs, and other national agencies
  ▪ Legal framework for data compilation
  ▪ Institutional arrangements
  ▪ Cooperation among agencies

• Institutional arrangements in the case of customs unions
Legal framework for data compilation

• Legal status of customs records

• Legal status of other sources

Compilers should establish a working arrangement with the organizations keeping records relevant to trade statistics (e.g., records of imports and exports of electrical energy, pipeline shipment of natural gas and crude oil maintained by specialized governmental agencies).
Institutional arrangements

- national statistical offices, customs, central banks, ministries of commerce/economy, trade development boards, commodity boards, etc.

- to ensure accurate and timely production and distribution of trade statistics

- these activities include collection of basic records, data editing, database maintenance and dissemination.
Customs declarations

• Customs declarations and related customs records are the most prevalent source of trade.

• Compilers should cooperate with the national customs authorities in promoting the application of international guidelines on customs procedures laid out by the World Customs Organization (WCO).
Other customs procedures

- Customs procedures used by customs and relevant to trade statistics include:
  - Goods on consignment
  - Border trade
  - Barter trade
  - International aid
  - Goods on lease
  - Duty-free shop

- Use of Automated System for Customs Data and Management (ASYCUDA)
Non-customs sources of data

- Foreign shipping manifests
- Currency exchange records and records of monetary authorities
- Parcel post and letter post records
- Aircraft and ship registers
- Reports of commodity boards
- Administrative records associated with taxation
- Enterprise surveys
Reports of commodity boards

- Commodity boards are organizations established to monitor the production and shipment of goods considered economically important for a country.

- These boards often issue reports that show the volume of commodities exported during a particular period - monthly, quarterly or yearly. They may include details such as quantity of products sold, the value of the sales, country of destination of the commodities, and the administrative costs.

- If commodity board reports are consistently available, they may serve as supplementary sources or for cross-checking customs records.
Time of recording

- Crossing the border
- Use of date of lodgement of the customs declaration
- Time of recording in the case of split consignments
- Limitations of time of lodgement and use of other dates
- Time of recording when non-customs sources are used
Goods to be included in trade statistics

• Food and other humanitarian aid
• Goods for processing
• Goods which cross borders as a result of transactions between parent corporations and their direct investment enterprises
Treatment of compensating products

• In the case of inward processing, if origin changes the compensating products should be considered domestic goods and be recorded as exports, if origin does not change these products remain foreign goods and should be recorded as re-exports.

• In the case of outward processing, if origin changes, the compensating products should be considered foreign goods and be recorded as imports; if origin does not change, the compensating products remain domestic goods and should be recorded as re-imports.
Basic Trade Flows

Imports of Foreign Goods → Free Circulation Area

Exports of Domestic Goods ← Imports and Exports

Transits ← Exports and Imports

Temporarily Imports and Exports

Premises for Outward Processing: Industrial Free Zones

Premises for Inward Processing: Industrial Free Zones

For Inward Processing: Imports and Exports

For Outward Processing: Exports and Imports
Goods for temporary storage

• Goods which enter a country for temporary storage and leave the country shortly afterwards, or re-enter a country after they were temporarily dispatched from that country are not to be treated as re-exports or re-imports and should be excluded from trade statistics.

• This applies to any part of the economic territory of a country including, for example, free circulation area and customs warehouses.
General Trade versus Special Trade (Imports)

IMPORTS OF FOREIGN GOODS AND RE-IMPORTS OF DOMESTIC GOODS

GENERAL TRADE

IMPORTS OF FOREIGN GOODS AND RE-IMPORTS OF DOMESTIC GOODS

CUSTOMS

free circulation area

CUSTOMS WAREHOUSES

COMMERCIAL FREE ZONES

premises for inw. proc.

INDUSTRIAL FREE ZONES

SPECIAL TRADE ‘strict’

SPECIAL TRADE ‘relaxed’

‘Concepts and definitions’ recommends GENERAL TRADE

IMPORTS OF FOREIGN GOODS AND RE-IMPORTS OF DOMESTIC GOODS
Trade Systems

- **General Trade**
  - statistical territory = economic territory

- **Special Trade**
  - strict definition
    - statistical territory = free circulation area
  - relaxed definition
    - statistical territory = free circulation area
    - + inward processing area
    - + industrial free zones
The Harmonized Commodity Description and Coding System

- Obligations of Contracting Parties
- Maintenance of the HS
- The structure of the HS
- The classification scheme
- General Interpretative Rules
- The HS 2002 and beyond
Analytical classifications

The Standard International Trade Classification (SITC, Rev. 3)

Classification by Broad Economic Categories (BEC)

Central Product Classification (CPC)

International Standard Industrial Classification of All Economic Activities (ISIC, Rev. 3).
Statistical value and its components

- Statistical value and customs value
- Transaction value
- Transaction value and the invoice price of goods
- The value of services
Compilation of the statistical value of imported goods

• Use of customs value as the statistical value

• Use of customs value if the terms of delivery are CIF or CIP

• Use of the customs value if the terms of delivery are other than CIF/CIP

• Compilation of the statistical value in the absence of the customs value
Compilation of statistical values of exported goods

If customs values of economically significant shipments of goods are established with a clear deviation from statistical requirements, these customs values be replaced by values derived from non-customs sources.
The WCO standard units of quantity

- The WCO recommended a single standard unit of quantity for each HS 6-digit heading.

- If the WCO unit of quantity is other than net weight, the net weight should be collected (where applicable).
Partner country attribution

- Country of origin and its use in import statistics
- Country of last known destination and its use in export statistics
- Country of consignment
Country of Origin

- Rules of origin as established by each country
- Relevant for customs duties (i.a. GSP)
- Principles:
  1. 'wholly obtained' in case only one country involved
  2. 'substantial transformation' in other cases
  3. provide documentary evidence of origin
  4. direct consignment (required by several countries)
  5. cumulative origin (allowed by several countries under certain conditions)
- Momentary under review (harmonization) by 'Committee on Rules of Origin' (WTO) and 'Technical Committee on Rules of Origin' (WCO)

- process criterion
  (example: change in 4 digit heading of HS)
- percentage criterion
  (example: contribution not less than 35% of appraised value)
Reporting and Dissemination

- Recommendations 'Concepts & Definitions':
  - monthly base
  - confidential data to be aggregated at next level
  - reconciliation studies
  - index numbers
  - seasonally adjusted data
  - relation with SNA93 and BPM5
Country definitions and codes for statistical purposes

- Statistical Territories of the World for use in International Merchandise Trade Statistics
- Standard Country or Area Codes for Statistical Use, Revision 4
- National compilation and reporting practices in international merchandise trade statistics
Registration error

Problem areas

- Treatment of low-value transactions
- Failure to file the required documentation
- Errors, and missing or incomplete information
- Intentionally incorrect reporting to avoid tariffs or quotas

Quality control by customs

- Implementation of a system for automated submission of required documentation
- Increased customs enforcement of filing requirements

Outreach and education
Data reconciliation and exchanges

Reconciliation provides an explanation of the discrepancy between the import and export statistics of trading partners by identification of conceptual reasons for them, as well as by explanation of differences in data collection and processing.
Reconciliation

a. Setting the objectives for the project and reaching agreement on basic procedures;

b. Establishing a common conceptual framework for reconciliation purposes;

c. Conversion of the official published data to the common framework;

d. Examination of the differences in the data;

e. Making necessary data adjustments to achieve mutually agreed sets of trade figures; and,

f. Formulation of conclusions.

An individual study could be limited to (a), (b) and (c) above
Reasons for differences in data

- Coverage
- Trade System
- Time of recording
- Commodity classification
- Valuation
- Partner country attribution in the case of: re-exports/reimports
  “through trade” operations
Thank you for your attention