

COMESA's Experience Regarding Improving Quality of Trade Statistics in the Region

A presentation at the
Workshop on Compilation of International
Merchandise Trade Statistics
Addis Ababa, 8 – 11 November, 2004



Common Market for Eastern and Southern Africa (COMESA)

COMESA's Mission

The Common Market for Eastern and Southern Africa (COMESA) is a regional integration grouping of 19 African sovereign states which have agreed to promote regional integration through trade development and to develop their natural and human resources for the mutual benefit of all their peoples



Common Market for Eastern and Southern Africa (COMESA)

COMESA's Current Membership

Angola	Ethiopia	Malawi	Uganda
Burundi	Kenya	Rwanda	Zambia
Djibouti	Comoros	Seychelles	DR Congo
Egypt	Madagascar	Sudan	Zimbabwe
Eritrea	Mauritius	Swaziland	



Common Market for Eastern and Southern Africa (COMESA)

COMESA's Main Objective

To facilitate the removal of the structural and institutional weaknesses of member States so that they are able to attain collective and sustained development.



The Regional Harmonisation of Customs and Trade Statistics Systems (RHCTSS) Project

RHCTSS Background

The RHCTSS project is a successor to the old ASYCUDA-Eurotrace Regional project.

Began way back in 1993 and ended in December 1999

Designed to facilitate regional trade and help COMESA Member States produce accurate, timely and reliable trade statistics.



The Regional Harmonisation of Customs and Trade Statistics Systems (RHCTSS) Project

RHCTSS Background

..... Objectives of ASYCUDA-Eurotrace Regional Project

- Assist in implementation of new ASYCUDA and Eurotrace projects in member states
- Sustain existing ASYCUDA and Eurotrace projects
- Promote use of standard codes and documents
- Simplification, standardization and harmonisation of customs procedures
- Organise regional training
- National and Regional capacity building



The Regional Harmonisation of Customs and Trade Statistics Systems (RHCTSS) Project

ASYCUDA-Eurotrace Project → RHCTSS Project

Purpose:-

“ To Establish an Integrated and Effective Customs
and External Trade Statistics System”



Specific Activities

- ❖ *Preparation of the Common Tariff Nomenclature;*
- ❖ *Migration to Harmonized System 1996/2002 and adoption of GATT valuation Code by all member states;*
- ❖ *Adoption of COMESA-CD or a Single Goods Declaration modeled on the COMESA-CD by all member states*
- ❖ *Implementation of COMESA Common Statistical Rules (CSR) by all member states*
- ❖ *Adoption and implementation of the Common External Tariff (CET) by all member states by 2004*



Specific Activities

...ctd

- ❖ *Preparation of common legislation and simplified customs procedures;*
- ❖ *Training of customs officers in the areas of valuation, tariff classification, enforcement and post clearance auditing;*
- ❖ *Upgrading of Statistical systems through installation of EUROTRACE, training of trade statistics staff and provision of technical support to member states;*



Specific Activities

...ctd

- ❖ *Installation and implementation of ASYCUDA together with capacity building and technical support, and;*
- ❖ *Establishing a regional intelligence database and building capacity for the audit and interpretation of data for intelligence.*



Expected Results (Statistics)

- ❖ External Trade Statistics (ETS) disseminated on time
- ❖ Trade Data mutually comparable within COMESA
- ❖ Co-ordination established – Customs/ NSO/ COMESA/ Other Stakeholders
- ❖ Performance of ETS team improved



Expected Results ..ctd

- ❖ Data from customs received in time by NSO
- ❖ Accurate and more complete customs data available for NSO
- ❖ Accurate, timely, complete statistics produced by NSO
- ❖ National data received by COMESA in time
- ❖ Time series analysis made possible



1. ETS disseminated on time

- ❖ Published Regional ETS Bulletins 1,2 and 3 with data of up to 2002
- ❖ Bulletin 4 currently in print with 2003 data
- ❖ Country profiles available for 2000/2001/2002 data. Finalising 2003



2. External Trade Data mutually comparable within COMESA

.... Out of 24 countries

- ❖ 14 countries (58%) using General Trade
- ❖ 22 countries (92%) using HS96/02
- ❖ 15 countries (63%) using ISO3166
- ❖ 15 countries (63%) using ISO4217
- ❖ Percentage of imports that match exports

.... Sample of CSR recommendations



2. Percentage of imports that match exports ctd

In principle, country A's imports from country B (on an fob basis) should approximately equal country B's exports on an fob basis.

Wide disparities exists among COMESA countries.

Why?

Coverage, System of Trade, Time of Recording, Classification, Valuation, Under/Over Recording, Smuggling/Irregular Trade, Exchange Rates.



2. Percentage of imports that match exports ctd

❖ Reconciliation Studies

- Secretariat provided data on regional bilateral trade and identified asymmetries.
- EU-COMESA and USA-COMESA components done, October 2004.
- Selected COMESA-COMESA studies also to commence in November
 - o Identify countries with significant disparities in reported exports
 - o Commodities affected in the asymmetries
 - o Findings sent to concerned member States for action



3. Co-ordination – Customs/ NSO/ COMESA / Other Stakeholders

- ❖ 14 countries have signed Customs /NSO SLA
- ❖ 10 countries have signed COMESA /NSO SLA
- ❖ 14 countries have formed NWGs
- ❖ Stakeholders attending project meetings



3. Co-ordination – Customs/ NSO/ COMESA / Other Stakeholdersctd

❖ Service Level Agreements (SLA)

A number of agreements designed to formalise the procedures relating to the flow and quality of information between Customs, NSO and COMESA administrations

- *Contact/Liasion Officers*
- *Provision of Statistics and Timetable*
- *Security and Confidentiality*
- *Discrepancies*
- *Quality*
- *Coverage and Collection*



3. Co-ordination – Customs/ NSO/ COMESA / Other Stakeholdersctd

❖ National Working Groups (NWG)

A new approach where primary responsibility for action on a number of the project's activities is assumed by member States' administrations with the Secretariat playing a support role by providing technical advice, financial support and co-ordination at regional level.

Guidelines:-

- *Composition*
- *Procedures*
- *Terms of Reference*
- *AWP/CE for activities*
- *Secretariat*



4. Performance of ETS Team improved

- ❖ Training conducted for 13 countries in Basic Eurotrace (2000)
- ❖ Training conducted for 20 countries in Advanced Eurotrace and calculation of trade indices (2001/02)
- ❖ Training in RDBMS at country level (NWGs) 10
- ❖ Regional Centre staff trained in Oracle
- ❖ Training seminar conducted for 19 countries in Marketing and Dissemination of ETS (2003)
- ❖ Training Workshop on New Eurotrace conducted for 21 countries (2004)



5. Data from Customs received in time by NSO

- ❖ There are still time lags between when data is received by NSOs from Customs in some countries
- ❖ The CSR (Article 16) stipulates a month after the end of reference month
- ❖ The SLAs enforce/monitor



6. Accurate and more complete Customs data available for NSO

❖ A survey on data not collected by customs is conducted in Sept-Dec 2003

□ *Survey established that most statistical offices have comprehensive coverage of products that are not collected by customs*



7. Accurate, timely and complete trade statistics produced by NSOs

- ❖ Eurotrace installed in all 24 countries in region
- ❖ Eurotrace installed in 10 countries at the customs offices
- ❖ Eurotrace equipment procured in all countries and in process for New Eurotrace



7. Accurate, timely and complete trade statistics produced by NSOs ..ctd

❖ EUROTRACE

- A computer system for management and production of ETS
- Developed by Eurostat (CESD Communautaire) 1990
- Allows data capture, data transfer from customs systems, control data quality and production of statistical tables in various nomenclatures and different formats
- Installed in 60+ countries worldwide
 - *Africa-40 : COMESA-19, ECOWAS-15, Other-6*
- New Eurotrace windows released in June 2003
- Installations in progress in COMESA and other countries



7. Accurate, timely and complete trade statistics produced by NSOs ..ctd

❖ Data Quality

- List of likely re-exports that are recorded as exports, sharp increase/decrease in trade flows.. sent to member states.
- Country Actions? Many countries have not given feedback to Regional Centre on corrective mechanisms to above problems.
- NWG interventions – Some countries included sensitization of customs staff in their work programs e.g. Malawi, Zambia, Swaziland



8. National data received by COMESA in time

- ❖ 16 countries submitted complete data for 1997, 1998, 1999, 2000, 2001 and 2002
- ❖ 17 countries submitted complete for 2003
- ❖ 12 countries have partial returns for 2004
- ❖ The CSR (Article 17) recommends 3 months after reference month



9. Time series analysis made possible

- ❖ Possible at international HS 6 digits at COMESA using conversion tables
- ❖ At regional level (8 digits), once CTN is adopted, efforts will be made
- ❖ At national level, countries to report



Thank you for your attention

