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STATISTICS DIVISION

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Country Paper

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Treatment of Re-exports in New Zealand Trade Statistics

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Statistics New Zealand

Some context

- Re-exports make up approx. 5% of total exports.
- Re-exports are separately identified in published trade statistics.
- New Zealand trade statistics compiled using the General Trade System.
- New Zealand trade statistics compiled using the Harmonised System.
- NZ statistical territory = NZ customs boundary.
- New Zealand doesn't have any industrial or commercial free zones.

UN definition of re-exports

“Re-exports refer to foreign goods exported from any part of the economic territory of a country in the same state as previously imported.”

The term “goods in the same state” includes goods which underwent processing that did not change their origin.

Statistics NZ definition of re-exports

“Merchandise exports that were earlier imported into New Zealand and comprise less than 50 percent New Zealand content by value.”

Origin of the Statistics NZ Definition

- New Zealand has adopted a value added based assessment to determine if a “transformation” of a good is “substantial”.
- The “50 percent New Zealand content by value” is a simplified definition, referring to the exact rules of origin in the Customs and Excise Regulations that govern whether a good is of domestic or foreign origin.

How the 50 percent rule of origin is calculated

$$\frac{\text{Qualifying Expenditure (QE)}}{\text{Factory Cost (FC)}}$$

expressed as a percentage

QE = Domestic expenditure on materials, labour & overheads

FC = Total expenditure on materials, labour & overheads

Total expenditure on materials

includes:-

- * the purchase price
- * overseas freight and insurance
- * port and clearance charges
- * inward transport to store

excludes:-

- * customs duty
- * anti-dumping duty
- * excise duty
- * sales & goods and services taxes

How Customs NZ identify re-exports

- Since 1 March 2004, a customs export entry must be lodged electronically prior to goods being loaded for export.
- All customs export entries must state the 'country of origin' of the good being exported.
- Where goods in an entry are classified in the same tariff item but have a different country of origin, they must be recorded on a separate detail line.
- Customs NZ sends Statistics NZ an electronic file containing all customs entries and all applicable fields, which includes the 'country of origin' information.

How Statistics NZ compile re-exports

- Trade statistics are compiled at the HS10 level.
- All imports and exports over \$1000 are included as separate records in the trade edit database, which retains the 'country of origin' information from the customs entry.
- Edit check on 'country of origin field'.
- Each month all records in the edit database are copied to the output database.
- All exports records where the 'country of origin' is not 'New Zealand' are classified as 're-exports' and are included in both total exports and re-export figures.

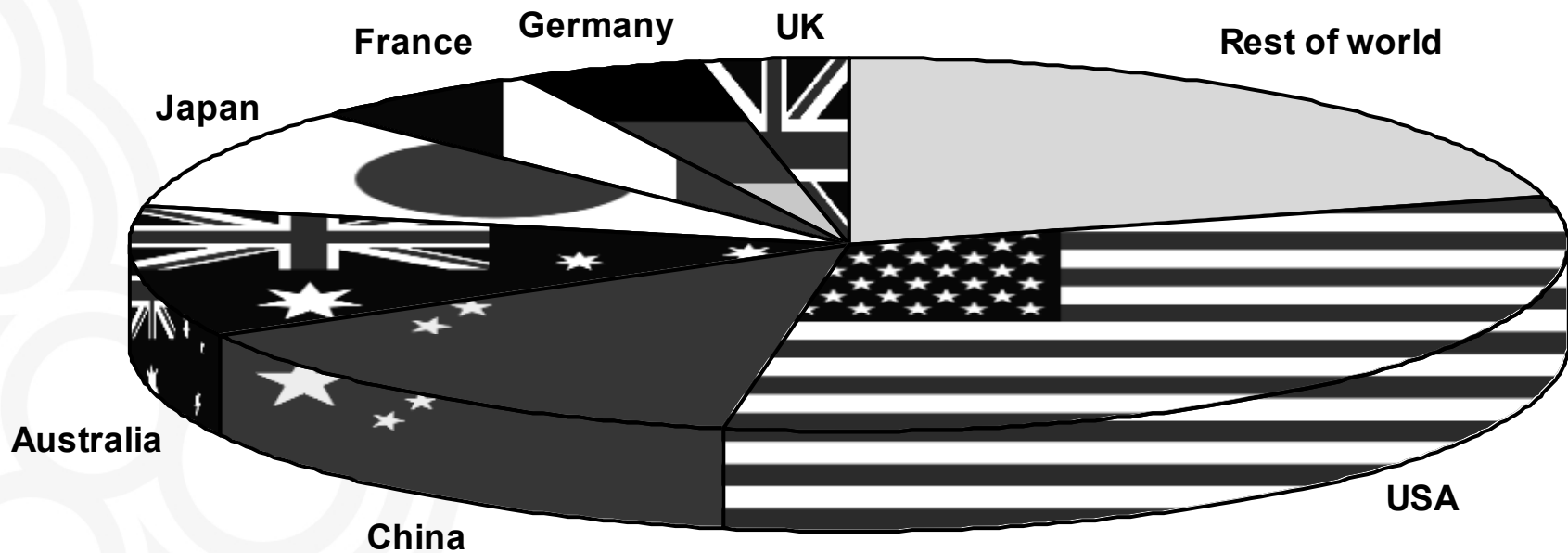
How re-exports are published

Overseas Merchandise Trade

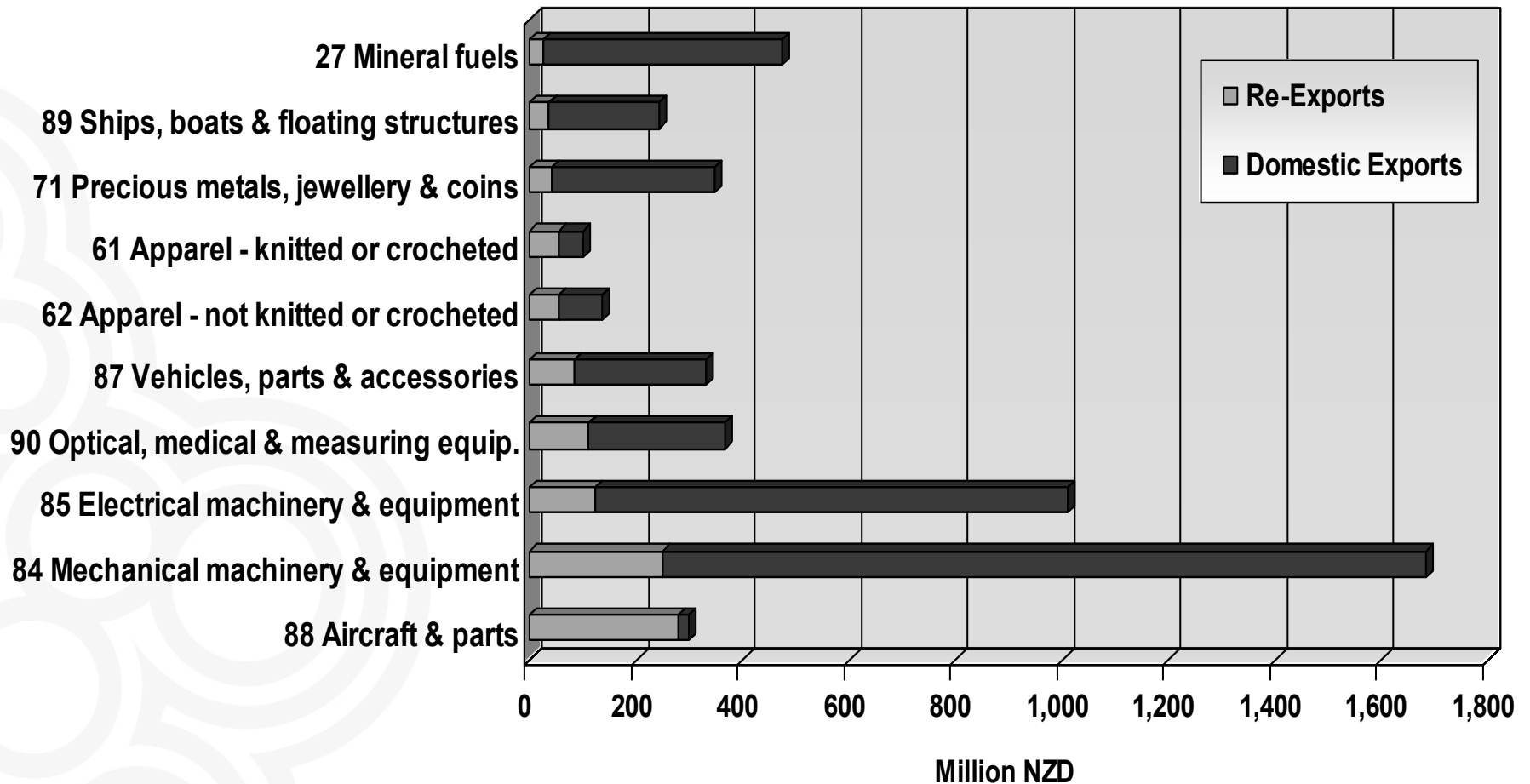
Actual values ⁽¹⁾

	Exports (including re-exports) (fob)	Change from same period of previous year	Imports (cif)	Change from same period of previous year	Trade balance (exports minus imports) (fob-cif)	Re-exports (fob)	Large import items ⁽²⁾ (cif)	Imports (vfd)
<i>INFOS series</i>	<i>EXPM.SCT99F</i>		<i>IMPM.SCT99C</i>			<i>EXPM.SRF</i>	<i>IMPM.SIC</i>	<i>IMPM.SCT99V</i>
	\$(million)	%	\$(million)	%		\$(million)		
2006 Jan	2,199	-2.4	3,093	21.1	-894	83	213	2,897
Feb	2,595	-2.0	2,969	7.8	-374	183	212	2,771
Mar	3,181	13.8	3,112	4.3	69	196	0	2,905
Apr	3,017	7.7	2,984	1.4	33	92	0	2,786
May	3,639	23.6	3,755	24.4	-116	357	235	3,529
Jun	2,972	16.5	3,164	3.3	-192	137	0	2,978
Jul	3,020	24.5	3,714	21.7	-693	201	244	3,499
Aug P	2,733	15.8	3,684	6.4	-951	137	0	3,449
Sep P	2,832	20.4	3,450	3.8	-619	129	0	3,233
Oct P	2,714	10.5	3,881	15.8	-1,167	108	227	3,648

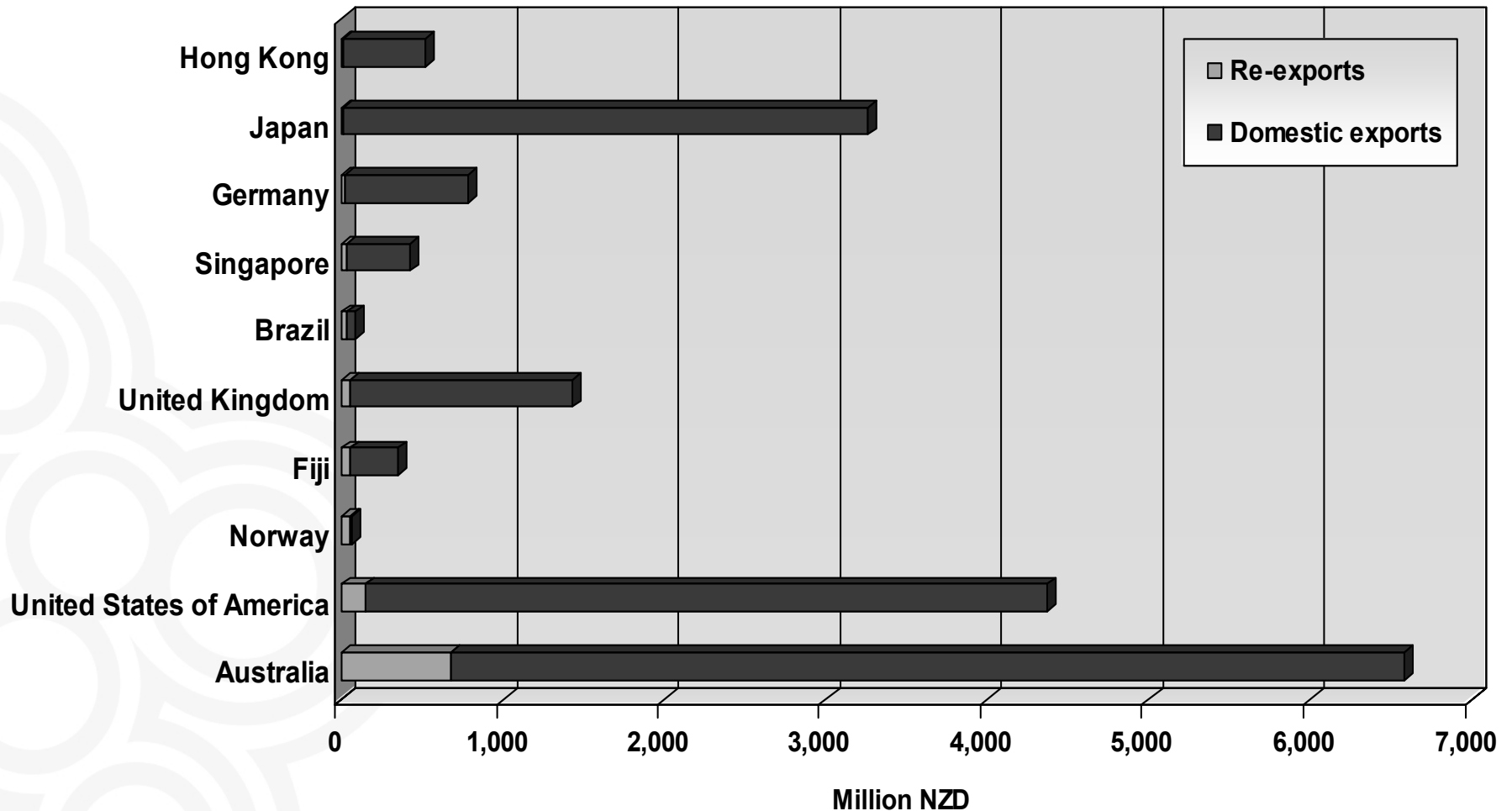
Country of origin of re-exports - 2005



Top 10 re-export commodities - 2005



Top 10 destinations of re-exports 2005



Issues with Statistics NZ Treatment of Re-exports

- Reliance on exporters accurately interpreting the rules of origin of their exports.
- Reliance on exporters to accurately reporting the country of origin of their exports.
- Borderline 'country of origin' cases.
- Edit check decisions.