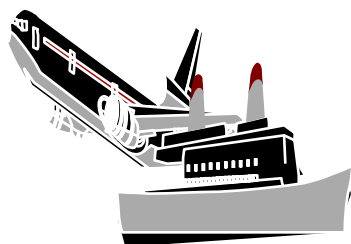


**Workshop for Developing Countries
on the Revision of the International
Recommendations
for International Merchandise Trade Statistics,
Bangkok, 9-12 September, 2008**

**Estela T. de Guzman
Director
NATIONAL STATISTICS OFFICE
PHILIPPINES**



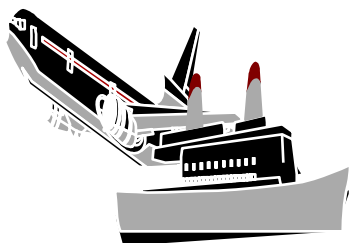
National Statistics Office



Agenda 7. Coverage – Goods for Processing

Current Recommendation

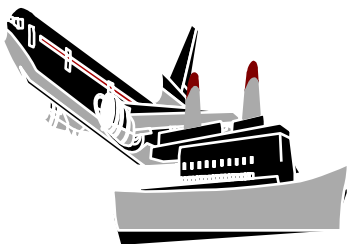
Goods for processing are goods sent abroad or brought into a country for processing, including processing under contract.



**Examples: oil refining, metal processing,
vehicle assembly, clothing manufacture**

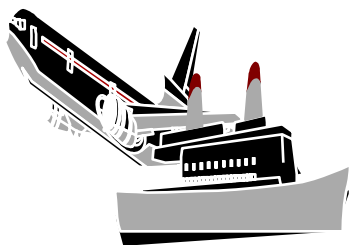
**These goods and goods resulting from
such processing should be recorded as
imports and exports of the respective
countries.**

(IMTS, Rev. 2, para 28)



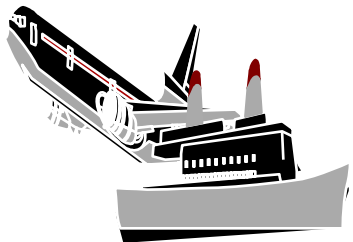
Country Practices

Goods sent abroad or brought into the Philippines for processing, including processing under contract and processing under the inward processing procedure are included in the Philippines IMTS.



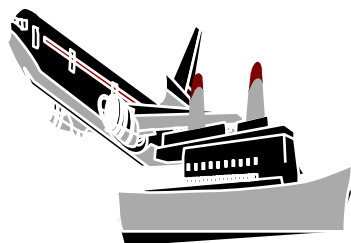
Electronic Components

- **single biggest export earner**
- **two-thirds of total exports in the Philippines**



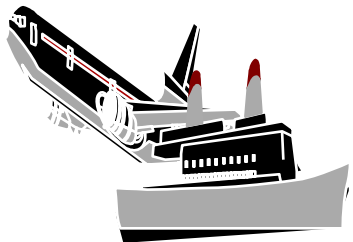
Task Force was created in 2001

- to look into the inconsistency in the external economic data
- to investigate whether the import figures were understated



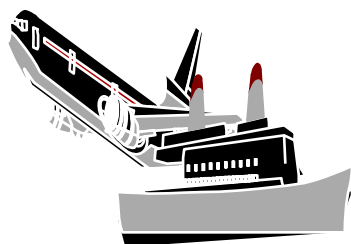
Findings of the Task Force

- **understatement of imports due to undervaluation of imported value of goods for processing, particularly electronics sector**



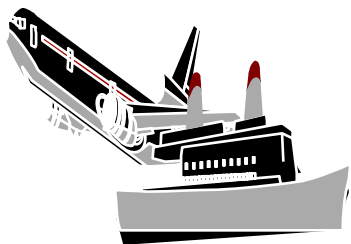
Survey of Imported Raw Materials

- approved by National Statistical Coordination Executive Board (NSCB)
- 2003, NSO had to revise its imports figures for 2000 to 2003



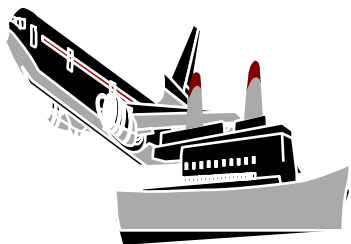
Interim Methodology

- **Due to budget constraints and respondent's burden**
- **approved by NSCB on May 8, 2005**
- **import revisions in 2004 and 2005**

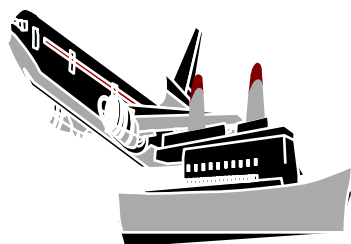


Interim Methodology

- **estimating true measure of imports of consigned electronics using value of raw materials compiled from export declarations**

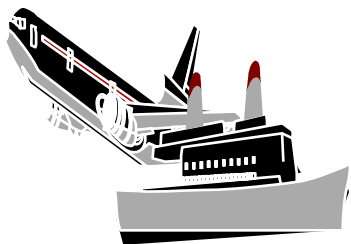


- **2006, NSO stopped using interim methodology to adjust its imports figure**
- **instead utilized electronic files from Automated Cargo Operating System of Bureau of Customs to validate imports**



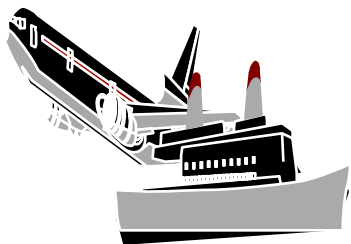
Statement

- **The Philippines agrees that the existing recommendation (IMTS, Rev.2, para 28) for inclusion of *goods for processing* should be updated to define more clearly its scope.**



Statement

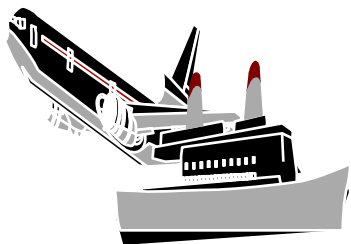
- **The Philippines agrees that a new recommendation should be added which states that goods for processing with physical inputs owned by others (or goods on consigned basis) should be separately recorded and should be included in the IMTS.**



Agenda 7. Coverage - Trade between Affiliated Enterprises

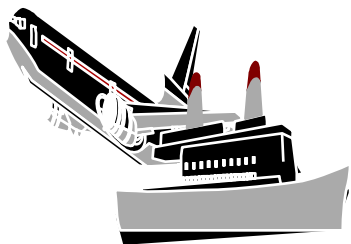
Current Recommendation

Goods which cross borders as a result of transactions between parent corporations and their direct investment enterprises (affiliates/branches) are to be included (IMTS, Rev. 2, paragraph 29).



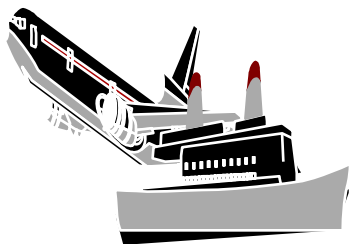
Country Practices

Transactions between parent corporations and their direct investment enterprises (affiliates/branches) are included in the Philippines IMTS, but the value and volume of these transactions cannot be identified separately.

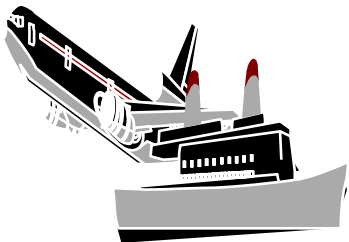


Export Declaration Form and Import Entry Revenue Declaration Forms

- **Box 2 - name of the Exporter/Supplier**
- for compiling export statistics
- **Box 8 - name of the Importer/Consignee**
- for compiling import statistics

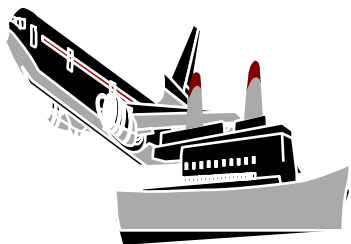


**NSO obtains both information for IMTS,
but the relationship between the
exporter-importer as parent corporation-
affiliate *cannot* be established in
customs documents.**

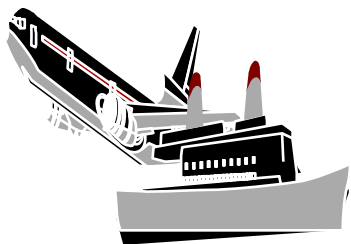


Statement

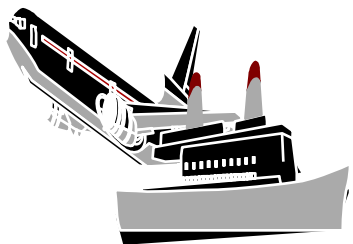
The Philippines does not agree with existing recommendation (IMTS, Rev.2, para 29).



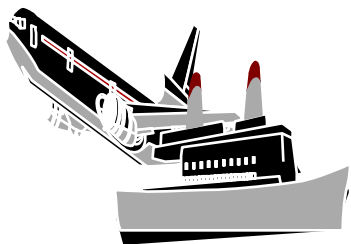
To include goods which cross borders as a result of transactions between parent corporations and their direct investment enterprises (affiliates/branches) be supplemented by a new recommendation that such goods should be separately recorded.

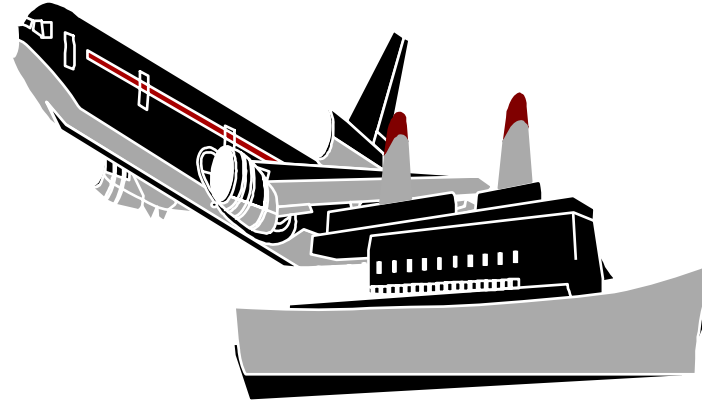


Since relationship between a parent corporation and its affiliates or branches *cannot* be established in the customs documents.

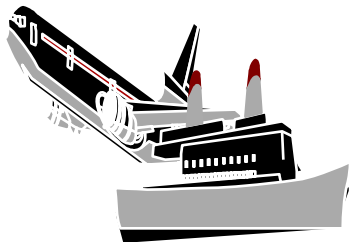


We do agree, however, that transactions of goods between parent corporations and their affiliates shall be included in the IMTS.





Thank You!



National Statistics Office

