

Workshop for Developing Countries on the Revision of the International Recommendations for International Merchandise Trade Statistics (IMTS)

Bangkok, 9-12 September, 2008

Valuation

- **Compilation of Imports FOB in addition to Imports CIF;**
- **Valuation reviewed, i.e. value components, estimation methods;**
- **valuation and time of recording in case of non-customs sources;**
- **Valuation in certain special cases, i.e. electricity, gas and water, used goods etc.**



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Valuation –Adding Imports on FOB-type basis

1. Current recommendation(s)

Valuation: (IMTS, Rev.2, para 116) To promote the comparability of international merchandise trade statistics and taking into account the commercial and data reporting practices of the majority of countries, it is recommended that:

- (a) The statistical value of imported goods be a CIF-type value

2. Result from the 2006 NCDP Questionnaire

Question :	Yes in %	No in %	N/A in %
Are data for international freight and insurance associated with the importation of goods available separately?	40.5	57.8	1.7
Do you compile and publish value of imported goods as a FOB-type value?	27.3	70.2	2.5

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3. Result from world wide consultations

Question 9 (i): Do you agree that in addition to the existing recommendation on the valuation of imports, a new recommendation should be added to compile the statistical value of such goods also on a FOB-type basis (as supplementary information)?	Yes in %	No in %	No Op. in %	N/A in %
Total of 110 replies	59	32	9	0
Developed (34)	35	56	9	0
Developing and transitional (76)	70	21	9	0
Question 9 (ii): Do you agree that the compilation of such FOB-type imports data should be at least at total level				
Total of 110 replies	55	26	16	3
Developed (34)	44	38	12	6
Developing and transitional (76)	59	21	9	1
Question 9 (iii): Do you agree that compilation of such FOB-type imports data at the detailed level should be encouraged?				
Total of 110 replies	53	28	16	3
Developed (34)	26	56	12	6
Developing and transitional (76)	64	16	18	1

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4. UNSD observation of wwc result

All three proposal find narrow majority support (59%, 55% and 53% respectively) with the strongest rejection of part 1 (no-answers 32%, 26% and 28% respectively). There is strong resistance to this proposal from countries which are saying the response burden is too high. A few countries mention that it would be better to ask for freight and insurance costs instead of FOB value.

The majority of developed countries is opposing this proposal (no-answers 56%, 38% and 56% respectively). The opposition from other countries is much less strong (21%, 21% and 16%).

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5. Selected comments (from total of 68 comments)

- [...] there are **some difficulties** for us to compile detailed import statistics (by commodity, country) on FOB basis, because the **burden of declaration for importers will inevitably increase**[...].
- **Transport and insurance costs are often not known** or it is not possible to separate them from the value of goods.
- Our **BoP compilers produce this** and do not require this adjustment at a detailed level. We think this is an **unnecessary additional burden** on business.
- This is a **task for BOP compilers**; they can do it **by surveys**.
- We can produce it because there are some requests although the **demand is very small**.
- **[...] depends on each country's needs and feasibility**[...].

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5. Selected comments (from total of 68 comments)

- We agree that in addition to IMTS Rev 2 recommendation of imported goods being valued in a CIF, as supplementary information, the statistical value of such goods should also be on an FOB type basis for the **purpose of compiling BOP and national accounts, reconciliation exercise** and **detailed analysis of international flow of good and services.**
- The best way to compile data on FOB-type basis would be not to demand the statistical value but **the single components** (e.g. invoice value, delivery terms, transport and insurance costs, net mass, mode of transport). The single components would also be helpful for the calculation of data on a CIF-type basis.
- [...] our preference, if feasible, would be to recommend having countries collect import value on an f.o.b.-type port of export basis, along with the insurance and freight charges.

-----additional considerations-----

- Alternatively, it may be possible to **use mirror export data from partner** countries to estimate the FOB-based values.
- **More than one data about one reality** causes problem.

Issues raised (open list)

- ❑ The EG reconfirmed the recommendation to record Imports value on a CIF-type basis (IMTS, Rev.2, para 116, point (a), page 17), while elaborating and clarifying the conceptual reasons and practicalities of it.

- ❑ The EG requested to elaborate and clarify
 - ❑ the need for compilation of value components (including invoice values) and
 - ❑ the use of prorating and other methods of estimation;
 - ❑ requested also to address the issue of valuation and time of recording in the case of non-customs sources.

Issues raised (open list) - continued

- ❑ The EG requested to elaborate and clarify the valuation of special cases like
 - (a) electricity, water and gas,
 - (b) returned goods,
 - (c) used goods,
 - (d) goods on consignment (including sales at auctions on foreign markets),
 - (e) rebates and discounts,
 - (f) goods bundled with services,
 - (g) goods with very large mark-up margins and
 - (h) counterfeit goods.

Thank you for your attention