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.

Introduction by Matthias Reister
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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

<table>
<thead>
<tr>
<th>Question:</th>
<th>Yes in %</th>
<th>No in %</th>
<th>N/A in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are data for international freight and insurance associated with the importation of goods available separately?</td>
<td>40.5</td>
<td>57.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Do you compile and publish value of imported goods as a FOB-type value?</td>
<td>27.3</td>
<td>70.2</td>
<td>2.5</td>
</tr>
</tbody>
</table>
### Valuation – Adding Imports on FOB-type basis

#### 3. Result from world wide consultations

<table>
<thead>
<tr>
<th>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)?</th>
<th>Yes in %</th>
<th>No in %</th>
<th>No Op. in %</th>
<th>N/A in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total of 110 replies</td>
<td>59</td>
<td>32</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Developed (34)</td>
<td>35</td>
<td>56</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Developing and transitional (76)</td>
<td>70</td>
<td>21</td>
<td>9</td>
<td>0</td>
</tr>
</tbody>
</table>

**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 |
Valuation – Adding Imports on FOB-type basis

4. UNSD observation of wwc result

All three proposals 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%).
Valuation – Adding Imports on FOB-type basis

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[...].
Valuation – Adding Imports on FOB-type basis

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