

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

Bangkok, 9-12 September, 2008

Supplementary topics

External trade indices;

**Relationship and differences to national accounts and balance of
payments statistics;**

Recommendation on seasonally adjusted data; Other



Introduction by Matthias Reister
Chief, International Merchandise Trade Statistics Section
United Nations Statistics Division / DESA
2 United Nations Plaza, DC2-1540, New York, New York 10017,
Phone: (917) 367-7098, Fax: (917) 367-5106, e-mail: reister@un.org

External trade indices

1. Current recommendation(s)

(IMTS, Rev.2, para 160) **Index numbers.** Although price indices are generally preferred, in practice, countries may not have the resources available to compile that information. It is recommended that all countries produce and publish volume (quantum) indices and either unit value or price indices for their total imports and exports on a monthly, quarterly and annual basis. Countries are also encouraged to calculate and publish such indices for the detailed commodity groups at least quarterly.

2. Result from the 2006 NCDP Questionnaire

Not available

External trade indices

3. Results from wwc – part 1

Questions 16: Do you agree that IMTS, Rev.3 should provide more detailed recommendations on the compilation, dissemination and use of external trade indices?	Yes	No	No Op	N/A
Total of 110 replies	83	8	5	5
Developed (34)	76	18	3	3
Developing and transitional (76)	86	4	5	5
Questions 16(b)(ii): Do you confirm that in your country (or area) price surveys for the purpose of external trade indices are conducted on a regular basis?	Yes	No	No Op	N/A
Total of 110 replies	32	60	5	4
Developed (34)	56	38	0	6
Developing and transitional (76)	21	70	7	3
Questions 16(b)(iii): Do you confirm that in your country (or area) external trade indices are compiled based in whole or in part on these price surveys?	Yes	No	No Op	N/A
Total of 110 replies	25	65	5	5
Developed (34)	41	53	0	6
Developing and transitional (76)	18	70	8	4

External trade indices

3. Results from wwc – part 2

Questions 16(b)(iv): Do you confirm that in your country (or area) unit values are calculated for the purpose of external trade indices?	Yes	No	No Op	N/A
Total of 110 replies	59	32	5	4
Developed (34)	79	12	3	6
Developing and transitional (76)	50	41	7	3
Questions 16(b)(v): Do you confirm that in your country (or area) external trade indices are compiled based in whole or in part on these unit values?	Yes	No	No Op	N/A
Total of 110 replies	55	33	7	5
Developed (34)	76	18	3	3
Developing and transitional (76)	46	39	9	5

External trade indices

4. UNSD observation of wwc result

There is **overwhelming support** (83%, with no-answers 8%) for the proposal to provide more detailed recommendations on the compilation, dissemination and use of external trade indices. **Almost 60% of countries calculate and use unit values for the compilation of external price indices while about 30% of countries use price surveys for this purpose.** Comments suggest to indicate the pros and cons of both, price surveys and unit values when compiling external trade indices and to give details in the Compilers Manual. Some countries suggest making reference to the forthcoming IMF publication on this issue.

Only about **20% of developing and transitional countries** conduct and use price surveys (21 and 18 respectively). **56% of developed countries** conduct price surveys but only 41% use it for the compilation of external price indices. Surprisingly, 79% of developed countries calculate unit value indices and 76% use them for the compilation of external trade indices. These percentages are 50% and 46%, respectively for developing/transitional countries.

Compilation of seasonally adjusted data

1. Current recommendation(s)

(IMTS, Rev.2, para 161) ***Seasonally adjusted data***. The publication of seasonally adjusted monthly/quarterly data, including both values and index numbers, provides additional valuable information required for economic analysis. Countries are encouraged to publish such data on a regular basis.

2. Result from the 2006 NCDP Questionnaire

Not available

Compilation of seasonally adjusted data

3. Results from wwc

Questions 17(i): Do you agree that IMTS, Rev.3, should explicitly recommend the dissemination of seasonally adjusted data?	Yes	No	No Op.	N/A
Total of 110 replies	62	15	21	2
Developed (34)	53	29	18	0
Developing and transitional (76)	66	9	22	3
Questions 17(ii): Do you agree that IMTS, Rev.3, should explicitly recommend a preferred adjustment method such as X12-ARIMA to make these data internationally comparable?	Yes	No	No Op.	N/A
Total of 110 replies	55	21	21	3
Developed (34)	38	41	21	0
Developing and transitional (76)	63	12	21	4

Compilation of seasonally adjusted data

4. UNSD observation of wwc result

A **clear majority of countries** (62% with no-answers 15%) support to explicitly recommend the dissemination of seasonally adjusted data. There is good support (55%) for recommending one particular adjustment method but also significant opposition (21%). Comments suggest leaving it to countries or analysts to decide on the appropriate seasonal adjustment methods as national circumstances vary. Also using the same tool might not lead automatically to comparability.

Many developed countries (41%) reject the second part of this proposal and 29% reject part 1. Developed and transitional countries support both parts of the proposal strongly – 66% and 63% respectively, with no-answers 9 and 12%, respectively).

Issues raised (open list) - continued

- ❑ The EG requested to delineate more clearly the differences between international merchandise trade statistics and national accounts or balance of payments statistics and provide clear guidelines on how to derive the latter.
→ See chapter 5 in the Supplement to the Compilers Manual

- ❑ The EG requested that linkages to and possible integration with other statistical domains be explored.

Reconciliation between IMTS and General Merchandise on a BOP Basis

Merchandise trade statistics as provided in data source
Adjustments, as relevant - for example:
- <i>CIF/FOB adjustment</i>
- <i>Goods for processing without change of ownership</i>
- <i>Goods imported for projects by nonresident construction enterprises</i>
- <i>Returned goods</i>
- <i>Migrants' effects</i>
- <i>Inventories of goods held abroad (at time of dispatching abroad)</i>
- <i>Computer software and audiovisual products (non-customized with periodic license for use)</i>
- <i>Goods lost or destroyed before change of ownership</i>
+ <i>Goods lost or destroyed after change of ownership</i>
+ <i>Goods entering/leaving territory illegally</i>
+ <i>Goods procured or supplied in ports by carriers</i>
+ <i>Inventories of goods held abroad (at time of sale)</i>
+ <i>Fish catch, minerals from the seabed and salvage sold from resident-operated vessels in foreign ports or from resident-operated vessels on the high seas to foreign vessels</i>
+ <i>Equipment that changes ownership while outside the territory of owner</i>
General merchandise on a BOP basis

Thank you for your attention