

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

**Bogotá, 31 March - 3 April, 2009**

## **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.**

**(Item 12)**



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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 115 replies	60	30	10	1
Developed (34)	35	56	9	0
Developing and transitional (81)	70	19	10	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 115 replies	56	25	17	3
Developed (34)	44	38	12	6
Developing and transitional (81)	60	20	19	1
Question 9 (iii): Do you agree that compilation of such FOB-type imports data at the detailed level should be encouraged?				
Total of 115 replies	52	28	17	3
Developed (34)	26	56	12	6
Developing and transitional (81)	63	16	20	1

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## 4. UNSD observation of WWC result

- All three parts of the proposal find narrow majority support (60%, 56% and 52% respectively) with the strongest rejection of part 1 (“No”-answers 30%). There is almost equal opposition to reporting imports FOB at total or at detailed level (25% and 28%, respectively).
- Comments from 70 countries were received on this question; the majority of countries are quite positive on recommending imports FOB, others do not want this recommendation or give observations in both directions. Most countries agree that having imports FOB at some level of detail is a good idea, but some argue that it is not the responsibility of IMTS but BOP compilers to compile this information. Some compilation guidance could be suggested.

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## 5. Conclusions from the Virtual Meeting:

The Expert Group on International Merchandise Trade Statistics:

- Recognized the importance of imports FOB valuation for various purposes including for use in the SNA, BOP and SITS compilations, reconciliation studies and examination of bilateral trade balances; recognized as well the significant additional burden on respondents and merchandise trade compilers which such compilation might entail;
- Advised that IMTS, Rev.3 should encourage countries to set up appropriate interagency-arrangements to systematically produce CIF/FOB adjustments (with active participation of merchandise trade compilers);
- Advised that good practices in this respect should be included in the Compilers Manual (Brazil's experience is a good candidate for this).

# Issues raised by the EG in 2007:

- ❑ The EG on IMTS in December 2007 reconfirmed the recommendation to record Imports value on a CIF-type basis (IMTS, Rev.2, para 116, point (a), page 17)
  
- ❑ 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 - 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

Gracias !