

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

Bogotá, 31 March - 3 April, 2009

Supplementary topics

- **External trade indices;**
- **Recommendation on seasonally adjusted data;**
- **Relationship and differences to national accounts and balance of payments statistics;**
- **Other**



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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 worldwide consultation

Q16 - Results	YES in %	NO in %	No Op. in %	N/A in %
(a) Do you agree that IMTS, Rev.3 should provide more detailed recommendations on the compilation, dissemination and use of external trade indices? - Replies of 115 countries	83	8	4	4
Developed (34)	76	18	3	3
Developing and transitional (81)	86	4	5	5
(b)(i) Do you confirm that in your country (or area) price surveys for the purpose of external trade indices are conducted on a regular basis? - Replies of 115 countries	32	61	3	3
Developed (34)	56	38	0	6
Developing and transitional (81)	22	70	5	2
(b)(ii) Do you confirm that in your country (or area) external trade indices are compiled based in whole or in part on these price surveys? - Replies of 115 countries	25	66	4	4
Developed (34)	41	53	0	6
Developing and transitional (81)	19	72	6	4
(b)(iii) Do you confirm that in your country (or area) unit values are calculated for the purpose of external trade indices? - Replies of 115 countries	59	32	5	3
Developed (34)	79	12	3	6
Developing and transitional (81)	51	41	6	2
(b)(iv) Do you confirm that in your country (or area) external trade indices are compiled based in whole or in part on these unit values? - Replies of 115 countries	56	34	6	4
Developed (34)	76	18	3	3
Developing and transitional (81)	47	41	7	5

External trade indices

4. UNSD observation of wwc result

Comments from 61 countries were received on this question:

- In their comments countries discuss their national practices and the pros and cons of price and unit value indices.
- Several countries make reference to the upcoming IMF manual on export and import price indices.
- Many countries express a clear need for more guidance on the methodology of the compilation of external trade indices in general and in particular on the use of unit values and price surveys for this purpose.
- Several countries express the need for training and technical assistance for the calculation of external trade indices.

External trade indices

5. UNSD draft proposal and conclusion of the virtual meeting, Nov. 2008

UNSD proposal (extract)

- Although price indices are generally preferred on methodological grounds, in practice countries may not have the resources available to compile that information. Many countries compile only unit value indices, while others compile and use both, price and unit value indices in a complementary manner.
- **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.
- For detailed information on external trade price indices please refer to the upcoming IMF Manual.

External trade indices

5. UNSD draft proposal and conclusion of the virtual meeting, Nov. 2008

The EG-IMTS

- ✓ Agreed, in general, with the UNSD recommendation
- ✓ Proposed to include in IMTS, Rev.3 a reference to the upcoming Export and Import Price Index Manual (XMPI) as a detailed guide on the topic;
- ✓ Advised UNSD to update its publication “Strategies for Price and Quantity Measurement in External Trade; A Technical report”. This publication should reflect on the experiences gained by countries after issuance of the XMPI Manual and focus on the description of good country practices and outstanding issues. It should not repeat the work done in the forthcoming XMPI Manual.
- ✓ Took note of the IMF disagreement with the initial UNSD proposal as the IMF perceives this proposal as in conflict with its forthcoming XMPI manual.

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

Q17 - Results	YES in %	NO in %	No Op. in %	N/A in %
(i) Do you agree that IMTS, Rev.3, should explicitly recommend the dissemination of seasonally adjusted data? - - Replies of 115 countries	63	15	21	2
Developed (34)	53	29	18	0
Developing and transitional (81)	67	9	22	2
(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? - Replies of 115 countries	57	20	21	3
Developed (34)	38	41	21	0
Developing and transitional (81)	64	11	21	4

Compilation of seasonally adjusted data

4. UNSD observation of wwc result

Comments from 47 countries were received on this question.

- A clear majority of countries wants to include a recommendation regarding the compilation of seasonally adjusted data
- There is a strong opposition to recommending one adjustment method/tool because national circumstances may vary and it will not necessarily result in making data internationally comparable due to differences in the implementation and derivation of seasonal factors. For example, EU countries have been using the TRAMO-SEATS adjustment method according to the recommendations in the EU. Other countries have been using X12-ARIMA.

Compilation of seasonally adjusted data

5. UNSD draft proposal and conclusion of the virtual meeting, Nov. 2008

UNSD proposal (extract)

- *Need for seasonally adjusted data.* [...] **Countries are encouraged** to compile and publish, where appropriate, seasonally adjusted monthly/quarterly data, including both values and index numbers on a regular basis.
- *Seasonal adjustment method.* [...] If seasonally adjusted data is published, **it is recommended** to describe in detail the selected seasonal adjustment method.

Compilation of seasonally adjusted data

5. UNSD draft proposal and conclusion of the virtual meeting, Nov. 2008

The EG-IMTS

- ✓ Agreed to include in IMTS, Rev.3 general recommendations relevant to compilation of seasonally adjusted data;
- ✓ Suggested that more detailed technical information should be provided in the revised Compilers Manual which should make use of references to existing technical guidelines;
- ✓ Suggested to recommend that information on the adjustment methods, data quality etc. should be provided by countries in their metadata.

Other possible issues

- The EG-IMTS 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-IMTS requested that linkages to and possible integration with other statistical domains be explored
- Asymmetries in partner data
- Trade statistics in customs unions
- ...

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