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LATIN AMERICA AND THE
CARIBBEAN

**Regional Workshop on Country Practices in Compilation of
International Merchandise Trade Statistics, 7-11 May 2007, Lima**

Agenda item No. 5: Current revision processes influencing the measurement of international merchandise trade statistics (SNA, BPM5, MSITS, HS, Kyoto Convention)

Background Document

Language: English

TIMETABLE OF CHANGES IN ECONOMIC STATISTICS

Feature article in the International Trade Statistics Newsletter
(December 2005), prepared by

United Nations Statistics Division (UNSD)



SPECIAL FEATURE: TIMETABLE OF CHANGES IN ECONOMICS STATISTICS

The meetings agenda of the UN Statistics Division for the second half of 2005 contained many Expert Group Meetings (EGM) in the economic statistics area (see insert of table for an overview). EGMs consist of experts of national statistical offices and international agencies. They work out a detailed proposal for required changes in methodology in their area of expertise.

Expert Group on International Economic and Social Classifications, New York, 20-23 June 2005

Advisory Expert Group on National Accounts (AEG), Bangkok, 18-22 July 2005

Expert Group on Distributive Trade Statistics, New York, 22-25 August 2005

Expert Meeting on the Update of 1993 SNA: Canberra II Group, Geneva, 14-16 September 2005

Expert Group Meeting on the Industrial Statistics, New York, 19-23 September 2005

Expert Group Meeting on International Migration Statistics, Beirut, 16-18 November 2005

The final outcome of these meetings should be a series of manuals which will set the standard in economic statistics for the years to come. In this special feature, the time table for the update of the manuals will be described and the consequences for the fields of international merchandise trade and trade in services will be discussed.

Updating of manuals

System of National Accounts (1993 SNA Rev.1) The current standard for national accountants is the 1993 SNA. At the UN Statistical Commission meeting of 2003 it was decided that given the developments on many issues in this area an update of the SNA

could be issued in 2008 (1993 SNA Rev.1). The website for the revision of the SNA shows a whole list of issues (see <http://unstats.un.org/unsd/sna1993/issues.asp>) which have been identified for discussion and on which decisions are successively being made. It is planned that the consolidated proposals concerning these issues will be sent for approval to the Statistical Commission (SC) at its meeting in 2007. All approved updates will be integrated into the 1993 SNA Rev.1 which is targeted – after final approval by the SC in 2008 – for publication in the same year.

Balance of Payments Manual (BPM6) The 5th edition of the Balance of Payments Manual (BPM5) is in the process of revision

(see <http://www.imf.org/external/np/sta/bop/pdf/ao.pdf>). The annotated outline for the revised edition proposes a structure and a description of the content, identifies the issues to be resolved, and indicates possible solutions in some cases. It is a discussion document that will provide guidance. A process of development and consultation is now under way in order to produce a draft manual by December 2006. In 2007-8 there will be a program of broad consultation and review, and agreement on the final document to be placed on the IMF website by late 2008. IMF strives to keep BPM6 in line with 1993 SNA Rev.1 to the maximum extent possible.

Manual on Industrial Statistics (Industrial) At its September 2005 meet-

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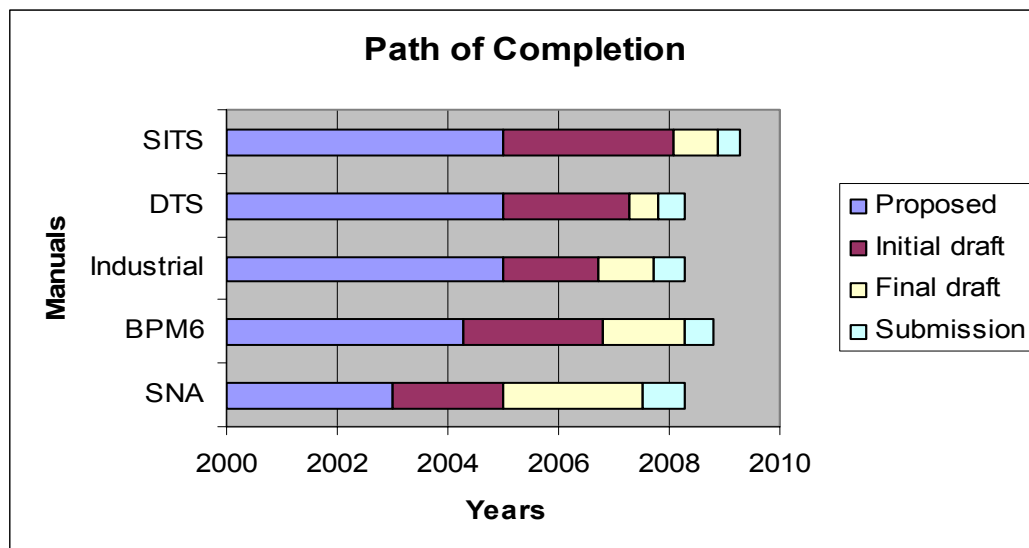
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Hint: to access any website mentioned, just click on it.

Visit
United Nations
Statistics Division,
Trade Statistics
Branch
Click [HERE](http://unstats.un.org/unsd/trade/default.htm)
([http://
unstats.un.org/
unsd/trade/
default.htm](http://unstats.un.org/unsd/trade/default.htm))



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ing the Expert Group confirmed – among others – the necessity for the revision of the 1983 International Recommendations on Industrial Statistics to meet the challenges and new developments in measuring the global economic environment of production, trade, investment and financing. In laying out critical milestones of future work, the EGM tentatively agreed that by end of November 2005 the preliminary annotated outlines of the Manual on Industrial Statistics should be ready. An initial draft is scheduled for the fourth quarter of 2006, with final version by mid-2007. If all goes as planned, the manual will be submitted to the Statistical Commission for consideration and approval at its March 2008 meeting (see <http://unstats.un.org/unsd/industry/meetings/eg2005/ac105-2.asp>).

Manual on Distributive Trade Statistics (DTS) At its August 2005 meeting the Expert Group concluded that there is an apparent need to revise the current (1975) international recommendations on distributive trade statistics in order to reflect new developments in the distributive trade sector, changing data needs and data sources, and recent revisions of the international recommendations in other areas of economic statistics. It also agreed that the revision of the concep-

tual framework and compilation methods should be seen as part of building an integrated economic statistics programme. Cooperation with other fora to ensure consistency is part of the revision process. The time table for the revision of the manual foresees submission of an initial draft at the beginning of 2007 with final version by 3rd quarter of 2007 for approval at the March 2008 Statistical Commission meeting (see http://unstats.un.org/unsd/distributive_trade/distributive_trade.htm).

Manual on Statistics of International Trade in Services (SITS) Following the revision of BPM5, the activity and product classifications International Standard Industrial Classification of All Economic Activities (ISIC, Revision 4) and Central Product Classification (CPC, version 2.0), together with a planned chapter on the supply of services through the movement of natural persons, it will be necessary to update MSITS in order to maintain its usefulness and credibility for countries. Because of its relative newness, the planned update would be limited in scope. In particular, the process would begin in 2005 with a review of the Extended Balance of Payments Services

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Information about
International
Cooperation on
Classifications is
grouped in one
place,

just click [here](#)

([http://
unstats.un.org/
unsd/class/
intercop/](http://unstats.un.org/unsd/class/intercop/))

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Classification (EBOPS) and issues to be included, a draft outline of the updated MSITS by 4th quarter 2006, initial draft at the beginning of 2008 and final draft ready by end of 2008 for submission to the Statistical Commission in 2009.

Updating of the classifications

Almost in parallel with all the activity in the updating of manuals in economic statistics, the international classifications in this area were also revised. First of all, the Harmonized Commodity Coding and Description System (HS, edition 2007) was revised and will be in force as of 1 January 2007. Directly related to the HS-2007 is the Standard International Trade Classification (SITC). Its revision process is completed. The final draft SITC, Revision 4, has been endorsed by the Task Force on International Merchandise Trade Statistics and will be sent for information to the Statistical Commission meeting of March 2006. At the same meeting the revisions of the International Standard Industrial Classification of All Economic Activities (ISIC, Revision 4) and the Central Product Classification (CPC, version 2.0) will be submitted for adoption.

Consequences for trade in goods and services

This large number of changes in the field of economic statistics will evidently have its impact on the methodology of international merchandise trade and especially international trade in services.

International Merchandise Trade Statistics (IMTS) At a very practical level, as of 1 January 2007 merchandise trade data will be collected in many countries on the basis of HS-2007. But there are some less obvious issues which may influence the way in which IMTS methodology has to adapt itself. The basis for IMTS is the crossing of borders of goods, irrespective of their ownership. By contrast, the SNA

treats international trade from the principle of change of ownership. Yet until now, cross-border trade has been taken as a proxy for trade on the basis of change of ownership. In particular, the change of ownership is imputed for goods sent abroad for processing.

Goods for processing abroad. Recently, the issue of “goods for processing abroad” has become a divide between IMTS and SNA. National accountants observed that in an important number of cases there is no change of ownership when goods are processed abroad. Goods are sent abroad, processed and returned as processed goods. In the current SNA and BOP updating process it is proposed that for SNA purposes these transactions should be registered as international trade in services, and only fees for services should be accounted for. Independent of whether this proposal will be approved by the SC, merchandise trade statisticians, however, will continue to register such goods as imports upon entry of the country. Goods will enter the country under one heading of the commodity classification and – after processing – will leave the country under another heading. From an international perspective this has consequences for the origin of the product. Crossing-the-border will continue to be the guiding principle for IMTS statistics. Merchandise trade statisticians are willing to help national accountants – in making adjustments to IMTS statistics – by recommending collection of additional information (in customs documents or via enterprise surveys) which would help clarify if goods entered and left a country for processing purposes only. Ultimately, if the proposal will be accepted there will be an additional difference in trade in goods figures shown in IMTS and in BOP/SNA publications due to differences in underlying principles.

(Continued on page 4)

Hint: to access any website mentioned, just click on it.

The Manual on Statistics of International Trade in Services is available for free download at: <http://unstats.un.org/unsd/tradeserv/manual.htm>

Visit United Nations Publications at <http://unp.un.org>

Access the website of ECOWAS at: <http://www.ecowas.info>

(Continued from page 3)

Statistics of International Trade in Services (SITS) It was already mentioned that the Task Force on Statistics of International Trade in Services started work on the revision of its Manual. It argued that it was necessary to update MSITS in order to maintain its usefulness and credibility for countries. In particular, the changes made to services categories in the proposed BPM6 together with the changes in services categories in ISIC, Revision 4, and CPC, version 2.0, made the existing EBOPS categories as presented in the manual of SITS, obsolete. In addition, the chapter on Mode 4 (movement of natural persons) was unfinished in the manual and has now been completed in the Technical Subgroup on this issue (see <http://unstats.un.org/unsd/tradeserv/subgroup.asp>).

DATABASES AND PUBLICATIONS:

INTERNATIONAL TRADE STATISTICS YEARBOOK 2003, NATIONAL PRACTICES IN COMPILATION AND DISSEMINATION OF EXTERNAL TRADE INDEX NUMBERS

International Trade Statistics Yearbook



2003, Volume I & II The fifty-second edition of the International Trade Statistics Yearbook provides the basic information for individual countries external trade performances in terms of value as well as in volume and price, the importance of trading partners and the significance of individual commodities imported and exported. Volume I contains detailed data for 182 countries or areas, volume II contains commodity tables showing the total trade of certain commodities analyzed by regions and countries. This is a bilingual publication, in English and French. For more information and paper copies please go to <http://unp.un.org/> (Sales No. 05.XVII.2 H).

National Practices in Compilation and Dissemination of External Trade Index Numbers: A Technical Report



This report describes national practices in compilation of external trade index numbers for 76 countries and one customs union. The report covers such topics as index numbers series produced, source of data, calculation methods, limitation of indices produced, release dates, revision policy, dissemination information, index compilation agency and contact information. The introduction provides an overview of the current practices. The detailed descriptions are contained in the main part of the report. This publication is also available in Spanish. For more information and paper copies please go to <http://unp.un.org/> (Sales No. 04.XVII.10).

COOPERATION WITH COUNTRIES AND AGENCIES

JOINT UNSD/ ECOWAS WORKSHOP ON COMPILATION OF INTERNATIONAL MERCHANDISE TRADE STATISTICS

Joint UNSD/ ECOWAS Workshop on Compilation of International Merchandise Trade Statistics, 30 August - 2 September 2005, Abuja The Statistics Division of the Department of Economic and Social Affairs (UNSD) in cooperation with the Economic Community of West African States (ECOWAS) was making special efforts to improve the availability of international merchandise trade statistics of African

countries in view of the increasing demand from users all over the world. Because customs records are still the principal source for trade data, trade statisticians and customs officers were brought together in this workshop. UNSD and other international organizations provided experts and organized this workshop which was

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For detailed information and the list of documents of the meeting in Abuja please go to http://unstats.un.org/unsd/trade/WS%20Abuja/meeting_IMTS_trade.htm

Please visit the website of UNECLAC at www.eclac.org

For detailed information and the list of documents of the SITS workshop in Panama City please go to http://unstats.un.org/unsd/tradeserv/meeting_service_trade.htm

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held from 30 August 2005 until 2 September 2005 in Abuja, Nigeria. The main purpose of the workshop was to identify difficulties and to try to find solutions for a more effective compilation of merchandise trade statistics as an output of automated customs systems.

Special attention was devoted to cases where ASYCUDA is implemented or is in the process of being implemented in the customs administrations. The workshop summarized the most important points regarding the compilation issues of the ECOWAS member states.

COOPERATION WITH COUNTRIES AND AGENCIES JOINT UNSD/ ECLAC WORKSHOP ON STATISTICS OF INTERNATIONAL TRADE IN SERVICES

Joint UNSD/ ECLAC Workshop on Statistics of International Trade in Services, 13 - 16 September 2005, Panama City

This workshop on statistics of international trade in services (SITS) was organized by the United Nations Department of Economic and Social Affairs' Statistics Division (UNSD) and the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC) in collaboration with the Contraloría General de la República de Panamá which hosted the meeting. The main purposes of the workshop were to (i) review the current country practices in the area of international trade in services in light of the recommendations of the United Nations Statistical Commission as published in the Manual on Statistics of International Trade in Services (Statistical Papers, Series M, No. 86, United Nations, 2002), (ii) identify

main difficulties in establishing effective compilation mechanisms, and (iii) make progress in finding solutions which would help to ensure compilation of the high quality data. Special attention was devoted to country experiences in specific service categories and the identification of the best practices in this area. Data sources, business registers and surveys were identified as the most important statistical issues for the compilation of trade in services statistics. In addition, countries highlighted the need for sufficient resources and for training. The group agreed on and committed itself to a set of six recommendations (Promoting awareness, Harmonizing statistics, Fostering cooperation, Announcing Panama's STC, Mandatory responses, Working together).

IN MEMORIAM: ANDREAS PETERMANN

(Contribution by Ronald Jansen)

I met Andreas at a workshop jointly organized by the ECOWAS secretariat and the United Nations Statistics Division at the end of August 2005 (see above). As part of the ECOSTAT project Andreas managed the organization of the workshop. Besides the administration he also contributed substantially in presentation and discussion. He was well respected by colleagues at ECOWAS and in the countries. At the workshop he took care of many organizational issues, felt personally responsible for the well-being of the participants and went to great lengths to make sure that they would arrive back home safely. Unfortunately, he could not determine his own fate. On October 22nd, 2005, he was one of the passengers in a fatal plane accident in Nigeria. Hereafter you will find the contribution of his colleagues at ECOWAS. We would like to acknowledge our greatest respect for Andreas and share our heartfelt condolences with all those who have been touched by the loss of our dear colleague.

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Andreas Petermann was born on 20 August 1969 in Dortmund, Germany. He graduated from the University of London, UK, with a Masters degree in Mathematics (Economist-Statistician) in 1994. He was perfectly trilingual (English, French, German), and had a fair knowledge of Spanish. Before he joined ECOWAS, he had worked at several European Union institutes, notably CESD (1996-2002), where he was senior Economist-Statistician and worked in the areas of statistical cooperation with developing countries, particularly in external trade statistics. He also managed several large projects involving EUROTRACE and ERETES (for national accounts). He had substantial hands-on experience in compiling, harmonizing and analyzing statistics on a regional level, as well as good experience in management.

ECOWAS EXECUTIVE SECRETARIAT'S TRIBUTE TO ANDREAS PETERMANN

Andreas assumed duty at the ECOWAS Executive Secretariat in January 2003 as the Manager of the European Commission-funded project for the development of statistics in West Africa (ECOSTAT). He was of great support to the Economic Policy Department, particularly to the Statistics Division. In that regard, he contributed significantly to the statistical programming of the ECOWAS Secretariat, as well as to the harmonization of statistical tools (particularly national accounts, consumer price indices and external trade statistics), data management (including connectivity of national statistics offices), institutional capacity-building and strengthening cooperation with other regional organizations.

He had many personal skills, including an admirable ability to adapt to any environment and to all persons. When he was serving ECOWAS, he was able to manage all kinds of difficult situations encountered during the implementation of the ECOSTAT project, to move the project forward and achieve the expected results. His performance was so outstanding that for the third time, the Executive Secretariat requested for the extension of his contract. Through his great sense of negotiation, his excellent knowledge of the European Commission procedures, his commitment to the development of statistics and his strong personality, the ECOSTAT project met all its main expectations. The ECOWAS Directors of Statistics were so impressed by his result-oriented performance that at the fifth meeting of the ECOSTAT Project Steering Committee held in Banjul on 17 and 18 October 2005, they expressed their appreciation in the following terms:

"The Steering Committee recognised the difficulties encountered during the implementation of the project (problems posed by the implementation of European Commission procedures, difficulties relating to communication with Member States and travel arrangements within the region), and congratulated the Executive Secretariat and the Project Manager for the high level of financial execution (83%), as well as the significant results achieved in key areas (harmonisation of national accounts and consumer price indices, external trade statistics, statistical programming, enhancement of institutional capacities, statistical coordination and cooperation)."

As the ECOSTAT Project Manager, Andreas was particularly interested in the connectivity of the national statistics offices (NSOs), as well as the upgrading of weak national statistical systems and re-building of those of the war-affected ECOWAS Member States. It is worth noting that after successfully organizing the said Banjul 17-18 October 2005 meeting, he continued his mission to install Internet facilities for the NSOs of The Gambia and Guinea Bissau. He also used the opportunity to finalize the arrangements for a consultancy to prepare the recovery programme for Liberia. Andreas was returning from that mission when the 22 October 2005 Bellview plane crash claimed his life.

His sudden death was a rude shock to all his colleagues and friends at the ECOWAS Secretariat and the National Statistics Offices in West Africa. His passing away is a big loss to ECOWAS and to the statistical community as a whole. We sincerely wish him peaceful repose.

For merchandise trade data by commodity and partner country please visit UN Comtrade at <http://unstats.un.org/unsd/comtrade/>

For the agenda and documents of the Task Force on SITS please click <http://unstats.un.org/unsd/tradeserv/meetings-tf.htm>

For agenda and documents of the Statistical Commission please go to <http://unstats.un.org/unsd/statcom/commission.htm>

YOU HAVE ASKED US WHAT MEANS "SPECIAL CATEGORIES"?

Q: I would like to know what "Special Categories" means. I am looking for Australian exports of wheat and the major part of these exports is toward "special categories"?

A: "Special Categories" and "Areas, nes" (Areas not elsewhere specified) appear as trade partner where the reporting country did not provide complete partner information. When large values of trade of a specific commodity are reported without partner informa-

tion it is in general assumed that the reporting country does not want this information to be disclosed and "Special categories" is assigned as partner. The use of this partner code depends on the combination of reporting country, trade flow and specific commodity.

The partner "Areas, nes" (Areas not elsewhere specified) is mostly used when small values of trade such as trade at the most detailed commodity level is not reported with full partner information.

UPCOMING EVENTS

INTERAGENCY TASK FORCE ON STATISTICS OF INTERNATIONAL TRADE IN SERVICES, 21-22 FEBRUARY 2006

The meeting is hosted by the UN Statistics Division in New York City in the main UN building. It is a one and a half-day meeting finishing at lunch-time on Wednesday 22nd. It will be followed immediately beginning in the afternoon of the 22nd and through the 23rd by the meeting of the UN Technical Subgroup on Movement of Natural Persons

(mode 4). Important items will include recommendations to the IMF BOP Committee concerning the treatment of trade in services, its scope and classification in the revised Balance of Payments Manual and an initial set of issues for review in the update of the Manual on Statistics of International Trade in Services.

UPCOMING EVENTS

UNITED NATIONS STATISTICAL COMMISSION, 7-10 MARCH 2006

The thirty-seventh session of the Statistical Commission is scheduled to be held at United Nations Headquarters, New York from 7 to 10 March 2006. Documents for the session are being posted on this web page as they become available. Agenda items of specific interest for international trade are proposals for a program of Integrated

Economic Statistics, the discussion of the International Economic Classifications and the information item on international merchandise trade statistics. A document will be before the commission in which the joint UN-OECD system for data collection, processing and dissemination is explained in full detail.

EDITORIAL NOTE

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Contact: United Nations Statistics Division, International Trade Statistics Section, New York, NY 10017, USA, Email address: tradestat@un.org or visit our website at <http://unstats.un.org/unsd/trade/default.htm>.