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DEPARTMENT OF ECONOMIC AND SOCIAL
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STATISTICS DIVISION

COMMON MARKET FOR EASTERN AND
SOUTHERN AFRICA



**Workshop on the updated and new recommendations
for International Merchandise Trade Statistics (IMTS 2010)
and their implementation in countries of the Sub-Saharan region,
Lusaka, 1-5 November, 2010**

Country Note

Ethiopia

Trade Statistics in Ethiopia

Introduction

International Merchandise Trade is the movement of goods between nations either as import or export or re-exports. When it comes to International Merchandise Trade Statistics (IMTS), it is then the recording of all goods which adds to (import) or subtracts from the stock (export) by entering or leaving its economic territory. Currently Ethiopia is using IMTS rev.2.

Concepts and Definitions

Imports: Goods are regarded as imports when they are brought into the country either directly or into bonded warehouses, irrespective of whether such goods are for consumption or not.

Exports: Goods locally produced or manufactured are regarded as exports when they are taken out of the country.

Re-exports: Goods are regarded as re-exports when they are taken out of the country in the same form as they were imported from other country without any transformation. Re-packing and grading processes are not considered as part of the transformation process.

Trade System

The trade system used in Ethiopia is General. Under this system, the national boundary of the country is used as the statistical frontier. All goods leaving the country (except specific exclusions) are recorded, whether or not such goods are subject to clearance. Goods entering or leaving customs frontier are recorded in the statistics. We also compile data on a special trade system. This is the case when goods are temporarily admitted in to Ethiopia. These goods may leave or pay duty upon completion of their mission. If the goods stayed in our country (usually machinery, equipment and vehicles), then they are subject to pay

customs duty and the status is changed from temporary importation to direct trade category and will be reported as special trade statistics.

Commodity Classification

The external trade statistics of Ethiopia are compiled on the basis of Harmonized System (HS). These classifications include broad heading of commodity at 2-digits level (Chapter), 4- digits level (Division) and detailed description at 8-digit commodity level categorized with 21 sections. Currently we are using HS 2007 which includes some additional commodity classifications which were not covered in the earlier HS 2002 version. This have reduced and avoided to a certain level not to use n.e.s. for those which were not included in the earlier version.

Mode of Transport

Central Statistical Agency (CSA) of Ethiopia gets data by mode transport and compiles trade statistics. The mode of transport could be road, rail, air, sea and possibly combinations because we are using all possible ways being a land locked country.

Valuation

Imports are valued on Cost, Insurance and Freight (CIF) basis i.e. the value of goods in the market at the customs frontier of the importing country including all charges for transport and insurance. Exports are valued on Free on Board (FoB) basis, i.e. the value of goods in the market at the customs frontier of the country, including all costs of transporting the goods to the customs frontier. The currency used for import is that country's currency together with its equivalent in local currency (ET Birr) but all reports are in ET Birr only.

Quantity Measurement

All commodities were quantified in kilograms of the gross weight and the net weight, even though capturing in Supplementary Units (SU) was available and were done with out proper care given to the system of recording because customs mainly focuses on taxes and tariffs. Beginning 2008 we are able to get better data from customs (especially Supplementary Units) and provide information to data users as to their need. This was assisted by COMESA in handling at the customs and CSA.

Customs as well gave more emphases to other information they collect almost equally as taxes and tariffs because they realized that it is important by others to use it.

Partner Country

Imports are classified according to country of origin where goods are given the final form in which they are imported into the country. For goods imported via Djibouti (the nearest port to Ethiopia), if information regarding the country of origin cannot be ascertained, such imports were included under the value of imports from Djibouti, i.e. under the same category as goods produced/manufactured in Djibouti. But Djibouti was country of consignment for the commodity. After having such problems quite for some time, data capturing and extraction should look and take countries prior to Djibouti unless otherwise we have interest on the last origin. Exports are classified according to the country of last destination.

Data Source

Merchandize Trade data are based on administrative records from customs declarations which are the sole source of import and export trade statistics.

Uncovered Trade Activities

Problems in getting trade data in the areas of:-

- boarder trades
- illegal or smuggling trade
- trade information on goods for military use are the major ones.

Data Quality and Metadata

Standard format for capturing data are based on declaration forms. From the captured declaration forms, data are extracted for statistical purposes by customs. Date of registration and assessment was once a problem. At the moment assessment date is taken because of the possibility of partial exports/imports when taking the registration date and this leads to errors in the statistical application. The total numbers of fields used for data extraction at customs for CSA are 51 for both export and import.

When CSA gets data from customs,

- CSA check totals of imports and exports against customs totals and accept if the difference is very minimum (about 2-3%). Investigation of the cause of difference is checked even when minimum. When having differences we obviously see if omissions are available.
- To have the same data set at customs and CSA we always take updates made by customs on the control tables, i.e. HS, CPC, Offices, etc... with the new ones.
- Indicators should have Date, HS, CPC, Country, Value, Quantity, etc... are added
- Compile merchandize trade statistics of Ethiopia on annual basis and there was a plan to compile on biannual basis. Instead we have a brief quarterly leaflet having total value of trade balance, value and net weight for major export and import, import by endues, major export by destination and imports by origins; values for both.
- Produce tables to users according to their demand.

Supplementary Topics

We have a strong desire and need for index calculation. But the problem of good quality and timely data hindered from doing so. Once when we were trying to calculate the unit value index for export and import, high variation on the unit values of the major selected commodities hinder the index calculation. **This was largely due to different quality, standard, brand, type and other similar factors were not considered when the commodity classification was created. I think it is a problem to every body who compiles IMTS. I leave it to you as a question for discussion.** Obviously it needs proper methodological application and timely data supply. So far there is no export or import index done by CSA except seeking to have and process on a regular basis.