

**DATA COMPILATION STRATEGIES,
INSTITUTIONAL ARRANGEMENTS,
USE OF CUSTOMS AND
NON-CUSTOMS DATA;
INFORMAL CROSS BORDER TRADE
(Agenda item 13)**

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INTRODUCTION

- Mandate, UBOS-collects, compiles, analyzes and publish official statistics in Uganda
- Done by the External Trade Statistics Unit under the Directorate of Macroeconomic Statistics.
- General Trade System used in compilation since 2003.
- Hs2002/2007 used as the primary commodity coding for international trade.
- SITC used for dissemination

USE OF CUSTOMS AND NONCUSTOMS DATA

- Over 90% of the external trade data are obtained from the Customs Department of URA
 - Data collected is mainly on visible trade through the SAD.
- Authorities and Organizations also provide timely and reliable data which sometimes are not collected by the customs department, mainly for exports.
 - These include, UCDA,UTA,CDO,KCCL,BATU and UETCL
- The Informal Cross Border Survey (ICBT), has since 2004 been used as an additional source of external trade statistics

INSTITUTIONAL ARRANGEMENT

- Statistics Act 1998 in place defining clearly the Bureaus' mandate.
- Service Level Agreement (SLA) has been signed with URA and Bank of Uganda.
- MOUs, always signed to allow efficient collection and compilation of internal trade.

INFORMAL CROSS BORDER TRADE (Introduction)

- Uganda uses the Informal Cross Border Survey to collect Informal Cross Border Trade. Throughout 2004 to date.
- Started as an initiative through the International Trade Statistics Committee (ITSC), under the auspice of the Bank of Uganda.
- Comprising Uganda Bureau of Statistics, Ministry of Finance, Planning and Economic Development, Uganda Revenue Authority and other stakeholders.
- To reduce on the existing data gaps in the international merchandise trade statistics, which has partly contributed to data discrepancy for BOP and actual flows of goods.





INFORMAL CROSS BORDER TRADE (Scope and Coverage)

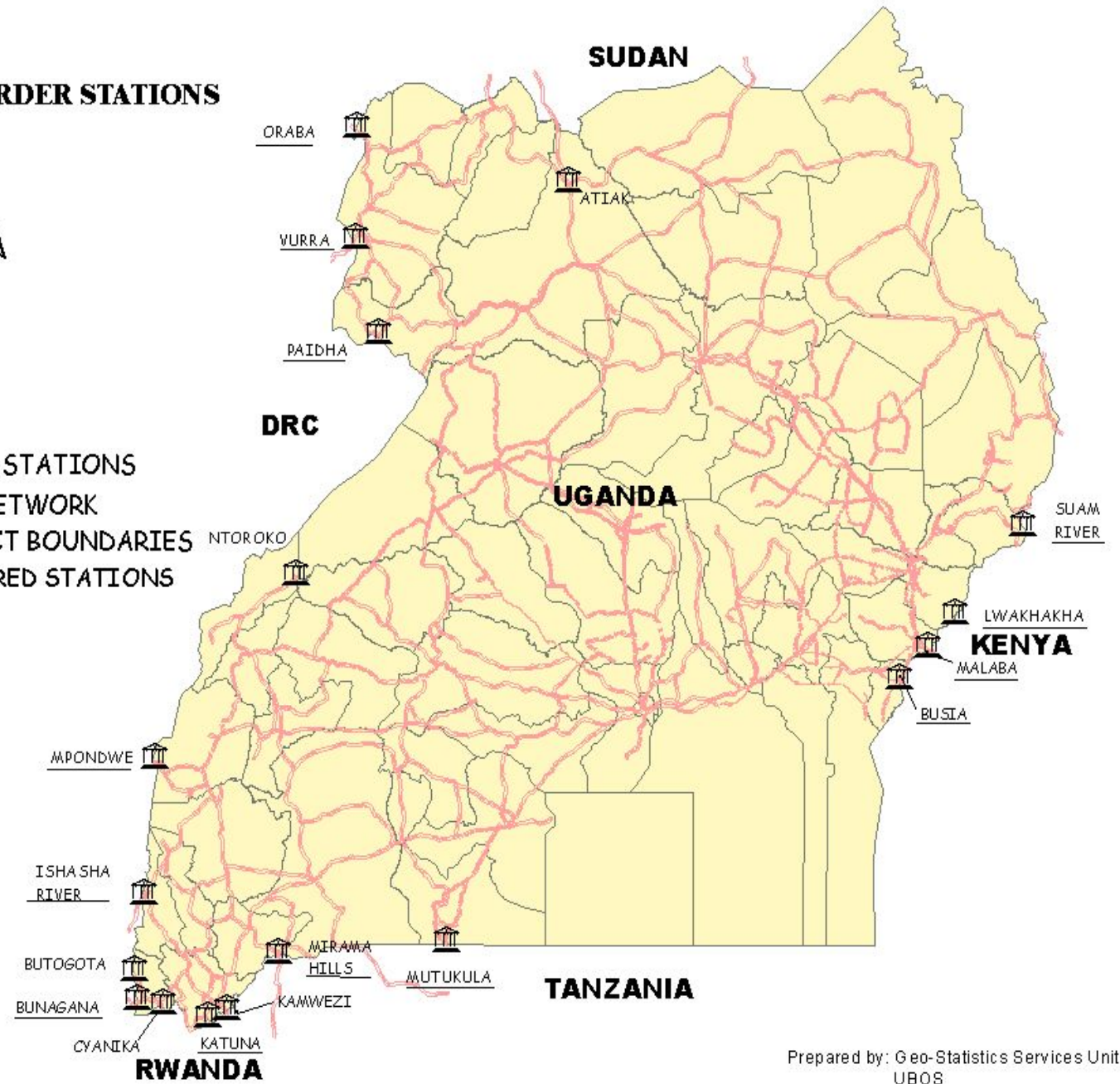
- Initially covered 14 border posts distributed along the frontiers of all the 5 neighbouring countries in 2004 (major stations).
- These were purposely selected and the selection depended on the availability of supporting gov't institutions, road accessibility, security and volume of unrecorded trade involved.
- Informal trade activities kept on soaring due to improved security in the neighbouring countries.
- During the FY 2007/08, coverage expanded to 20 border posts add 6 new borders and 3 bus terminals.

THE MAJOR BORDER STATIONS



KEY

-  BORDER STATIONS
-  ROAD NETWORK
-  DISTRICT BOUNDARIES
-  MONITORED STATIONS



INFORMAL CROSS BORDER TRADE (Methodology)

- **Direct Observation method used**
 - Enumerators are positioned strategically at the border to record all merchandise entering or leaving the country excluding those that are officially recorded by Customs
 - First Recording done in counter books
 - Daily transactions summarized in "Summary Form A"
- This technique takes into account the characteristics and prevailing habits of informal traders at the border which is further from ideal.
- Weighing scales are some times used to ascertain the weights of items where possible.
- Two weeks monitored every month and flows of the remaining two weeks of the month are estimated owing to resource constraints.

INFORMAL CROSS BORDER TRADE (Survey organization)

- Monthly coordination and supervision of the ICBT survey field activities done by the Bureau and Bank of Uganda staff.
- At least 2 enumerators at each border are engaged in during the monitoring weeks.
- Enumerators are trained in metric system and quantity estimation methods and technical extraction of information from traders.

INFORMAL CROSS BORDER TRADE (Benefits of the ICBT Survey)

- Uganda has been able to estimate the magnitude of Informal Cross Border Trade with its neighbours. Hence,
 - Reducing further the statistics gap that was existing in the BOP, National Accounts, and actual trade flows.
 - Providing a list of commodities transacted under informal arrange which has enhanced analysis by commodity categories.
 - Creating a database of informal flows in terms of value and volumes which can be used for comparative analysis on recorded and unrecorded trade (Table)

Formal and Informal trade flows (000' US\$) from 2005 to 2008

Trade Flow	Year			
	2005	2006	2007	2008
Informal Exports	200,307	231,741	776,509	1,315,936
Formal/Official Exports	812,857	962,193	1,336,668	1,724,300
Total Exports	1,013,164	1,193,934	2,113,177	3,040,236
Informal Imports	65,872	80,633	57,239	73,493
Formal/Official Imports	2,054,137	2,557,308	3,495,391	4,525,859
Total Imports	2,120,009	2,637,941	3,552,630	4,599,352

INFORMAL CROSS BORDER TRADE

(Challenges in collecting the informal trade flows)

- Quantification problem
 - Packaging not standardized, all sorts of packs/ containers used. yet observation method employed for data collection
- Concealment of items
 - Some times there is outright concealment of items making it hard product identification.
- Commodity classification and harmonization
 - Transformation of ICBT data into the International Commodity nomenclature (Hscode, SITC) is quite a big challenge as items may be recorded in local names.
- Porousness of the borders
 - borders are too wide for complete coverage during monitoring, posing a challenge in capturing accurate trade flows.
- Recording and pricing of assorted items
 - Recording and prices of mixed items is still a challenge due to quality and quantity variations.

INFORMAL CROSS BORDER TRADE (Recommendations)

- Regional Gov't should compile informal traders to declare their merchandise at the time of crossing to make all trade formal.
- There should be regional state intervention to enhance incomes and product competitiveness in the informal trade arrangements.
- High level sensitization of various stakeholders (Customs, Immigration, law enforcing authorities and border communities on the need for accurate trade statistics.
- Neighbouring state should be encouraged to undertake ICBT survey to generate accurate mirror statistics.

Thank you