

**UNSD-SACU workshop
on the implementation of the new recommendations
for International Merchandise Trade Statistics (IMTS 2010)
in SACU Member States**

12 – 15 June 2012, Johannesburg, South Africa

14 June – item 3:
**Integrating trade and business
statistics**



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A. Background: IMTS 2010 Chapter XI Supplementary topic – Linking Trade and business statistics

- Area of future development, moved from supplementary topic to main topic (TEC, Global Forum on Trade Statistics)
- IMTS 2010
 - **Para. 11.5: Need for linking trade and business statistics**
 - IN DATA COMPILATION
 - IN DATA ANALYSIS
 - Prerequisite: National business register
 - **Para. 11.6 Recommendation: Countries are encouraged** to integrate their trade register with their business register and to take steps towards establishing an integrated system of economics statistics for data compilation and analysis.

A. Background: Statistical Commission

- At its thirty-seventh session in 2006 the Statistical Commission endorsed the **concept of an integrated approach to economic statistics** and recommended its operational use in national economic programmes.
- Statistical Commission report of 2008 – *Conclusions (excerpts)*:
 - The integration of economic statistics is about statistical reconciliation; [...] it involves dealing with conceptual, statistical production and institutional issues.
 - Institutional arrangements [...] are important for the management of integrated economic statistics and should be part of the corresponding reform programmes.

A. Background: Global Forum on Trade Statistics in 2011

(Organized by UNSD and Eurostat in cooperation with WTO and UNCTAD in February 2011 in Geneva as follow-up to the 2010 Statistical Commission decisions on trade statistics).

- *Vision for the future of trade statistics*

Trade statisticians and policy makers agreed on a vision for the future of international trade statistics and called for the improvement of the relevance of international trade statistics by connecting trade information and integrating it with its economic, social, environmental and financial dimensions while minimizing the response burden, and to improve the statistical production process by better defining and organizing the co-operation among national stakeholders.

A Background: Global Forum in 2011 (cont.)

- Background note International Trade Information System in 2020
endorsed by major international organizations active in the area of trade statistics:

20 goals for trade statistics by 2020 were formulated, among them:
- Institutional arrangements: Institutionalized and close cooperation between all national agencies involved, joint work programmes, special units for international transactions and global business statistics
- Compilation: All transaction records (from customs or other sources) will contain an identification number of the importing or exporting enterprise that is linked with the national statistical business register;
- Information on mode of transport, customs procedure codes, special transactions, second partner country and on cost, insurance and freight for imports is routinely provided as part of the customs data available to statistics;
- Additional information on trade collected via integrated business surveys;
- Dissemination: Joint release of statistics on trade in services and trade in goods, trade by enterprise characteristics, Micro-data on trade in goods and services linked with other business information will be available in data warehouses to registered users.

B Potential benefits (and costs)

- Potential benefits: additional and better information without major costs in terms of additional surveys, potential cost savings through efficiency gains.
 - Information about traders and their specific characteristics, such as size, sector of economic activity, and level of concentration
 - Information about specific trade transactions such goods for processing and intra-firm trade, or provide information for other statistical domains such as transport statistics
 - trade statistics can be part of a business micro-data set or data warehouse analysis for many different purposes.
- *Potential costs.*
 - Major investment in the development, implementation and maintenance of a national business register
 - Integrating different statistics requires significant efforts.
 - Requires efforts to overcome existing institutional arrangements and legal obstacles.

C Possibilities and examples

Example *Italy*.

- Idea: Change from a product based towards a business oriented perspective in the compilation of trade statistics.
- Core is business register: The link between the list of trade operators and the business register provides the gateway for developing an array of new outputs.
- Outputs: depending on the level of integration achieved:
 1. Trade statistics based on the number of trade operators by products and markets by linking trade-flow micro data with the list of trade operators,
 2. Trade statistics based on the business characteristics of exporting and importing enterprises by linking and integrating the list of operators with the business register,
 3. Integrated firm-level data warehouse by integrating a number of national surveys, foreign trade in goods, outward and inward multinational enterprise data and international databases (faces various challenges as surveys are not fully harmonized)

C Possibilities and examples

Example Brazil

1. Brazilian SISCOMEX system integrates the tracking and administrative, customs and exchange control of foreign trade.
 - It is linked to all commercial information through the national code for companies (CNPJ) and the national code for individuals (CPF), which are mandatory fields for the declaration of exports and imports.
 - When a company inputs its code, SISCOMEX accesses automatically the database of companies registered at the Ministry of Finance, whereby the code is confirmed and all commercial information is transferred (complete address, city, state, National code of economic activity, number of employees, etc.).
2. Allows the generation and dissemination of a wide array of special reports, such as exports by company size, industry or state. Information deemed confidential is only accessible to the enterprise itself and authorized government officials.

C Possibilities and examples

OECD-Eurostat trade by enterprise characteristics (TEC) database.

1. Datasets are compiled by linking micro data (data at trader level) with business registers
2. Fixed set of enterprise related indicators or tables is generated and published at international level
3. At this time no flexible analysis or access to microdata.

C Possibilities and examples

Additional possibilities

- Integrating trade information in business statistics.
Business statistics usually contain limited information on external trade.
- Special surveys on trading enterprises
Conduct surveys of specifically identified enterprises in order to obtain information on goods for processing, intra-firm trade, trade in services
- Trade statistics as part of a geospatial information system.
 - Linking trade information to the business registers allows regional analysis of trade patterns, i.e., IBGE of Brazil publishes, using the address of the enterprises, a report on trade balance by states and municipalities.
 - Supplementing trade information with localized employment or tax information (i.e., average wages, employment rate, enterprise and personal tax revenue) allows a detailed analysis of economic impact of trade.

D. Required institutional and working arrangements

- ***Uniform business register and data access in compilation.*** In many countries more than one organization or agency is involved in trade and business statistics – information sharing need to be allowed.
- ***Agreement on a joint vision and commitment to integrating trade and business statistics.*** Concerned agencies and departments within agencies agree or at least accept the goal and vision for an integrated system for business and economic statistics as the development and implementation of such a program require the commitment of significant human resources and the willingness to accept changes in existing practices.
- ***Access to and use of information.*** Business registers and data warehouses contain sensitive information about businesses. Issues of confidentiality and the protection of the highly sensitive business data need to be resolved.

Additional guidance in IMTS 2010 – CM:

Ch 11: Integrating trade and business statistics

- A. Integrated approach to economic statistics
- B. The benefits of integrating trade and business statistics
- C. Integrating trade and business statistics in data compilation – possibilities and examples
- D. Ensuring quality of the linked data sources and the quality of the linked/integrated data
- E. Generation and dissemination of additional information – possibilities and examples
- F. Required institutional and working arrangements

Thank you for your attention!