



INFORMAL CROSS BORDER TRADE STATISTICS IN RWANDA

- Regional Seminar on International Trade Statistics

12th - 16th May 2014

Addis Ababa

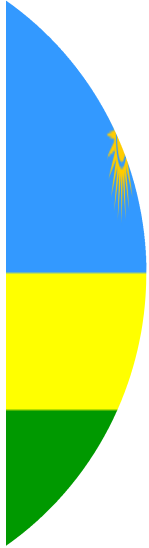
By

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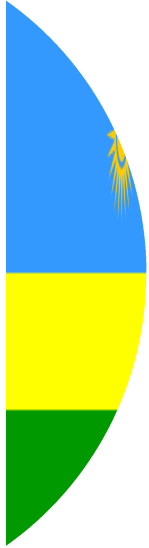
National Institute of Statistics of Rwanda

“If you don't count, you don't count”



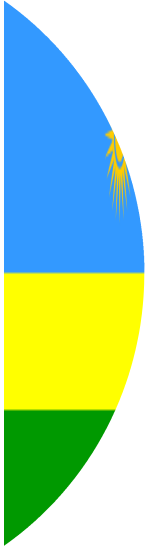
Outline

- Background- Importance of External Trade Statistics
 - What is the problem? - for us to be discussing ICBT
 - What is ICBT Survey?
 - How did ICBT Survey came about in Rwanda
 - When did it Start?
 - Why ICBT Survey? – Objectives
 - How and when did ICBTS come about in Rwanda
 - Current Methodology
 - Benefits of ICBTS
 - Challenges faced



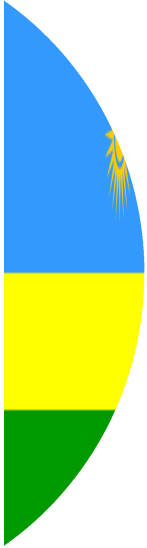
Background-Importance of External trade Statistics

- ❑ External trade data are very essential in making decisions for regional and economic integration.
- ❑ Monitoring trade agreements.
- ❑ More so, reliable and timely statistics on external trade are vital in negotiations and implementations of common trade policies with regional partners.



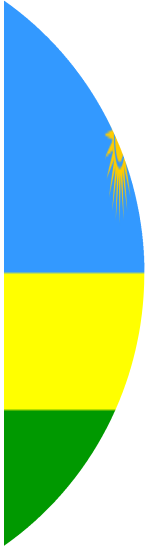
What is the Problem?

- ❑ Trade Statistics are not completely captured by the Customs Authorities-
Main source
- ❑ Administrative sources used to supplement- but not sufficient
- ❑ Therefore, ICBT surveys needed to supplement the data and reduce the statistics gap.
- ❑ Because a lot of cross border trade takes place between neighboring countries.



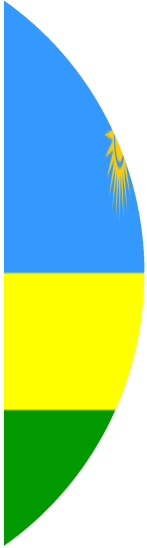
What is ICBT Survey?

- ❑ This is one of the economic surveys covering transactions in goods between residents and non-residents of a particular country(Rwanda) that are not recorded by the official customs clearance system.
 - Therefore not included in the official statistics
- ❑ Under the UN general framework of compiling international merchandise trade statistics (IMTS 2010), all goods entering or leaving a country are recorded, except transit goods.
 - And so does ICBT
- ❑ Therefore, ICBT constitutes exports and imports and are mainly concentrated at the border.



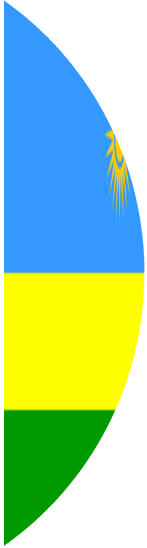
Why ICBT Survey?-Objectives

- ❑ Determine the commodities transacted
- ❑ Direction of trade (Destination/Origin)
- ❑ Flows in terms of values and quantities
- ❑ Attempt to estimate revenue loss
- ❑ Provide a comparative analysis of recorded and unrecorded/net trade balances
- ❑ Determine the main beneficiary
- ❑ Provide Monthly/Annual estimates for BOP/National A/Cs
- ❑ Assess the effect of regional integration efforts on ICBT



How did ICBT Survey come about in Rwanda?

- ❑ The International Trade Statistics Committee (ITSC) identified data gaps in Rwanda's international merchandise trade statistics.
- ❑ Leading to under estimation of the magnitude of trade in BOP and NAs.
- ❑ The Committee proposed the ICBT Survey as one of the alternative to the problem
- ❑ The survey therefore was designed to generate information on Informal trade transactions and bridge the missing gap.
- ❑ **Who was involved?**
 - NBR, NISR, MINAGRI, MINICOM and RRA
 - User, Producer and Compiler umbrella created



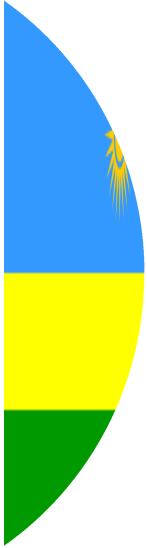
When did ICBT Survey start in Rwanda?

- ❑ In May 2009 with a Pilot;
 - Covering a few crossing points along Rwandan borders
- ❑ In 2010, the survey was carried out in January, February, March, April, September, October, November
- ❑ In 2011 (except January and February) ten months have been covered by the survey;
- ❑ Since 2012, the Census/ survey has been carried out on a regular basis;
- ❑ Actually, 53 crossing points are covered by the Census along the four neighboring countries.



Current Methodology

- ❑ The methodology applied in Rwanda on ICBTS is Census
 - “All ” major crossing points are covered;
 - Crossing points are covered all days from 1st to the last day of the month, from January to December;
 - The exception is made on crossing points that are operational on market days on either side of the border

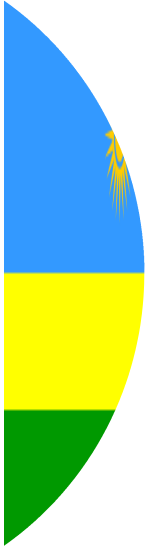


What are the benefits of ICBT so far?

- ❑ ICBT estimates have improved on the External Trade Statistics
 - Statistics gaps in the areas of BOP and National Accounts have further reduced.

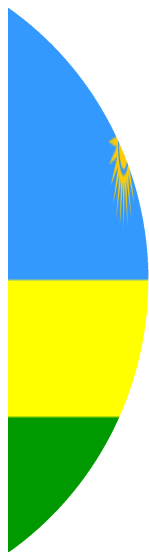
- ❑ A list of commodities transacted under unrecorded trade has been compiled
 - This has enhanced further analysis by commodity categories.

- ❑ A database of the informal flows in terms of values and volumes has been created
 - Therefore, comparative analysis on recorded and unrecorded trade can be done.



What are the challenges faced?

- ❑ Quantification Problems
- ❑ Concealment of Items
- ❑ Commodity Codification-HSCODE
- ❑ Under/Over Valuation or Under/Over Quantification
- ❑ Border dynamics



THANK YOU