INFORMAL CROSS BORDER TRADE STATISTICS IN RWANDA

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By

HABINSHUTI Vital
Statistican-External Trade Statistics
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 underestimation 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