

AFRICAN UNION



UNITED NATIONS

Regional Seminar on International Trade Statistics

12-16 May 2014

Addis Ababa, Ethiopia

Report of the meeting

May 2014

ORGANIZATION, PURPOSE, PARTICIPANTS AND SUMMARY OF ACTIVITIES

A. ORGANIZATION

The African Union Commission (AUC) and the United Nations Statistics Division (UNSD) organized a joint Regional Seminar on International Trade Statistics in collaboration with the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (UNECA) from 12 to 16 May 2014 at the AUC Headquarters in Addis Ababa, Ethiopia.

B. PURPOSE

The objective of the seminar was to strengthen the capacity of the national statistical systems of countries throughout the African continent in statistics of international trade in goods and services. This activity forms a significant part of the broader effort to improve integrated economic statistics through the implementation of the 2008 System of National Accounts.

This seminar brought together national experts in the compilation of international merchandise trade statistics (IMTS), statistics of international trade in services (SITS), and the goods and services accounts of the balance of payments. The agenda intended to elicit hands-on discussion and focused on the status and, especially, the challenges encountered in the implementation of the international recommendations in these fields as well as introduced the integrated economic statistics perspective to participants which could lead to a more effective way of organizing the economic statistics process .

A specific item on the agenda was the report of the results of the IMTS quality assessment and informal cross border trade questionnaires, along with selected issues of concern. Other topics were bridging IMTS and BOP, informal cross border trade, linking trade and the business register, FDI and FATS, and data dissemination. This joint activity

was an important component in the overall effort to improve evidence-based policy making in Africa.

C. PARTICIPANTS

The participants of this workshop came from different countries across Africa, regional organization (COMESA, SACU, ECOWAS, UEMOA, UNECA, and BCEAO) and experts from World Steel Association, Bank of Italy and Netherlands. The countries participants were mainly experts from NSOs, Customs Offices and Reserve Banks (See the list below).

Regions	Countries
North Africa	Algeria, Egypt, Morocco and Tunisia
West Africa	Ghana, Cape Verde, Cote d’Ivoire, Benin, Mali and Nigeria
Central Africa	Cameroun, Congo, and Equatorial Guinea
East Africa	Rwanda, Eritrea and Ethiopia
Southern Africa	Angola, Botswana, Lesotho, Malawi, Mozambique, South Africa, Zambia and Zimbabwe

Annex I presents the complete list of participants.

D. OPENING STATEMENTS

Opening Statement by Mr. Stefan Schweinfest, Acting Director of the United Nations Statistics Division

This speech was delivered by Mr Karoly Kovacs, Chief, Statistics of International Trade in Services Section, United Nations Statistics Division

Mr Stefan Schweinfest started by thanking the AUC for co-hosting this seminar and pointed out the dedication of UNSD to support improving trade statistics in Africa and the implementation of the recommendations stated out in IMTS 2010 and MSTIS 2010. By bringing statisticians and different organizations experts from several countries to find

a way to equate and equalize measurement of statistics by merging their effort to produce high-quality international trade and balance of payment statistics.

This seminar is part of the global program for the implementation of the System of National Accounts, which is based on integrated economic statistics, including international trade statistics. He welcomed Mr. Geert Bruinooge, former Deputy Director General of the Statistics Netherland who would share his experience on the integration of economic statistics. He pointed out that the recommendations have been adopted by UN countries on that subject, therefor you will all share experience to increase the quality of trade statistics at the regional level and international as well.

He also emphasized the importance of international trade which is no longer a matter of nation economic issue but rather make an effect internationally. The field has been availing the development of new technologies such as computer, internet, new ways of communications, better transportations etc.. This has allowed wider markets through expansion of companies. All this brings to the main goal of this seminar, namely to transfer knowledge and good practices which would help to improve the quality of official statistics on international trade in goods and services.

He expressed his appreciation to participants to make their way to Addis Ababa and wished very fruitful deliberations.

**Opening Statement by Dr. Rene N’Guettia KOUASSI, Director Economic Affairs,
African Union Commission**

This speech was delivered by Mr Dossina YEO, Acting Head of Statistics Division

He welcomed the participants and appreciated them for positivity accepted AUC invitation to this seminar on Statistics of International Trade.

He explained that economic, social and cultural integration of Africa is the main objective of the African Union Commission. And the main measurement indicator of the integration of African countries is the volume of trade among African countries. Unfortunately, it is sorrowfully clear that the volume of trade is still very low. With this context, the Heads of State and Government of the African Union have conducted two major conferences in order to boost Intra-African trade. One of the outcomes was the creation of an establishment of the continental free trade zone by 2017.

Furthermore in July 2010 in Kampala (Uganda), Heads of State and Government of the African Union adopted the strategy for the harmonization of statistics in Africa (SHaSA). Based on this strategy, African Union Commission in collaboration with the African Development Bank and the United Nations Economic Commission for Africa have set up 14 working groups to promote the production and harmonization of statistics in different sectors.

During this seminar, the participants would also learn different data compilation techniques for African statistics of trade in services, along with the harmonization of customs procedures with the types of trade in Africa. Given the importance the subject, African Union Commission is committed to the production and harmonization of external trade statistics. And finally, he invited the participants to pay attention to all subjects that would be addressed.

E. SUMMARY OF ACTIVITIES

Opening session: UNSD gave presentations on the roadmap for Integrated Economic Statistics including Trade and on the overview of the recommendations for international trade statistics (IMTS 2010, MSITS 2010, IRTS 2008) and the relevant references for compilation guide.

Session on African IMTS Quality Assessment Questionnaire: A presentation by AUC and UNSD on the preliminary analysis of the result and followed by presentation by ECOWAS on selected item of concerns in the region.

Session on Selected items of IMTS compilation: COMESA and Morocco gave presentations on mode of transport and country of consignment. Then, it was followed by presentations by SACU, COMESA and UNSD on customs procedure codes and their harmonization for statistical use. World Steel Association presented the importance of quantity information for their analysis and Algeria provided background document on the subject. In regard to quality of trade statistics, Congo, Egypt, Ghana and Zimbabwe made presentations based on their national practices. Morocco shared the report on quality with the group.

Session on Selected items of bridging IMTS 2010 and BPM6 and Use of IMTS for BOP purposes: Presentations by UNSD and Malawi on the topic of bridging IMTS 2010 and BPM6, followed by presentations by Cote d'Ivoire, Morocco and Malawi on imports FOB, estimation of insurance and freight and the use of customs procedure codes to identify BOP related-transactions.

Session on Informal cross border trade: AUC and UNSD gave presentation on the preliminary result of questionnaire. The presentations on national experiences on conducting informal trade survey by Benin, Cameroon and Rwanda. Afterwards, the participants involved in the discussion on how to improve existing methodology and implement the surveys.

Group discussion on IMTS: The discussion was based on the questions prepared by UNSD on the topic of status of implementation IMTS 2010, challenging compilation practices, and informal cross border trade.

Field trip to Ethiopian Eastern Industrial Zone: As part of learning experience, the participants visited Hujuan International Shoes Factory in Ethiopian Eastern Industrial Zone located at the outskirts of Addis Ababa. The zone is part of export processing zones network that produce goods aimed for foreign markets.

Session on Data collection for trade in services statistics; compilation practices on selected services categories: COMESA presented the status of data availability and accessibility in their region. Afterwards, BCEAO gave presentation on services

categories of EBOPS 2010. Expert of Bank of Italy shared Italian experiences in the following: construction services and tourism and travel services. And finally, presentations by Ethiopia on the topic of construction services and by South Africa on data sources for tourism statistics.

Session on Compilation practices on selected services categories: Mali and South Africa shared their experiences on manufacturing services, and then followed by presentations of Angola, Italy and Mozambique on the topic of data collection practices focusing on ITRS and enterprise surveys.

Group discussion on SITS: Participants discussed in depth the topic of MSITS 2010 implementation, data sources and compilation of services.

Session on Business registers, Linking trade and business statistics and FATS: Presentations by UNSD and Italy on the importance of statistical business register for international trade, followed by Tunisia and Zambia on the topic of linking customs data and enterprise statistics. Finally, Zambia gave presentation on FATS compilation practices and the linkage between trade statistics, FATS, FDI and business registers.

Session on Dissemination of international trade statistics: AUC presented the forthcoming 2014 African Yearbook on Intra-African Trade. Afterwards, presentation by ECOWAS on data sharing and reporting followed by presentation of Cabo Verde on the topic of dissemination of international trade statistics.

Closing session: Countries discussed the main issues uncovered during the workshop; Presentation and discussion of the preliminary findings and conclusions. The meeting was concluded with the closing remarks by AUC and UNSD.

Annex II presents the final agenda of the seminar.

FINDINGS AND CONCLUSIONS

The findings and the conclusions made for this workshop are as follows:

F. INTEGRATED ECONOMIC STATISTICS INCLUDING TRADE

The new challenges in data collection and compilation due to the external factors are as follows:

1. Fast technology development.
2. Decreasing budgets towards statistics.
3. Growing demand for quicker information including trade data.

Therefore, in order to address these challenges, the following action plan should be taken:

1. Implement integrated economic statistics framework.
2. Design integrated statistics of trade data and identify areas of the system that yield quick results.
3. Invest in institutional arrangement (multi-use of data, use of administrative data, legal mandates, response burden) and integrated statistical production process (corporate services for statistical business register, collection, processing, methodology and process design, project management).

G. AFRICAN IMTS QUALITY ASSESSMENT QUESTIONNAIRE, SELECTED ITEMS FOR IMTS COMPILATION AND USE OF IMTS FOR BOP PURPOSES

1. **IMTS Questionnaire:** the preliminary analysis of questionnaire has given insight to IMTS national compilation practices in Africa. The questionnaire was designed to fit with the National Quality Assurance Framework (NQAF), therefore the result also indicates the degree of quality dimensions. The final analysis report will be finalized by UNSD and AUC and will be served as the basis for improving quality on IMTS. In addition, the basic result data will be shared with interested partner organizations.
2. **Customs records as primary data source:** there is need for IMTS compilers to access customs records as primary data source. In order to produce data as required

by IMTS 2010, data capturing and analysis packages such as ASYCUDA and EUROTRACE should be reviewed. This may be the provision for inclusion of new fields to cater for these recommendations.

3. **Coverage and data sources:** coverage of trade data is not exhaustive in most countries. In this regard, there is need to have other sources of trade data such as Informal Cross Border Trade (ICBT) surveys. When compiling trade data, many countries are able to compile data in general and special trade system due to availability of customs procedure codes. Therefore, countries should take into account the needs of different data users (i.e., providing data in general system for UN Comtrade).
4. **Quantity:** there is need to capture data on supplementary quantity in addition to volume/net weight. However, the quality of quantity data captured for most countries in Africa is poor. Among other challenges that compromises the quality of the data are missing or incorrect quantity values. In order to avoid missing data on quantities, it is recommended that the quantity field should be made mandatory in customs system. At the same time awareness training of clearing agents or brokers is essential so that they can input appropriate quantity along with its unit.
5. **Confidentiality:** there is need to strike a balance between data confidentiality and the needs of users/analysts. And at the same time, there is a need to comply with existing statistical confidentiality law. For example, commodity should be reported in the higher level aggregation until it's enough not to identify transactions of individual businesses.
6. **Timeliness and Punctuality:** there is lack of timeliness in submission of data to users by some statistical offices and lack of accessibility to detailed basic trade data by most statistical offices in Africa. In order, to address this problem, there is need to establish legal framework that manage institutional arrangement among data providers and compilers. There is also a need to have a well-designed release calendar for dissemination of trade data.

7. **Customs Procedure Codes:** these are generally comparable at aggregate level in most of countries due to compliance to Revised Kyoto Convention. However, it is observed that in general detailed CPCs are not fully harmonized in Africa. As per IMTS 2010, customs procedure code should be part of the data items provided by Customs.
8. **IMTS 2010 new data items:** there are some challenges when compiling new data items such as: second partner (country of consignment in case of imports), mode of transport, imports FOB and customs procedure codes. This is so mainly because of the lack of availability of basic information in customs records or incomplete data items provided by Customs.
9. **IMTS 2010 for BOP purposes:** the following areas have been recommended or encouraged to be included during compilation of IMTS: recording goods for processing without change of ownership, migrant's effects, trade with related parties, imports FOB in addition to CIF, services components (i.e., freight or insurance services). This increase coherence with BOP/SNA as this data is required during compilation of BOP.
10. **Trade Indices:** calculation of trade indices is not done in several countries mostly due to methodological/technical challenges. AUC together with partner organizations should develop methodology on the compilation of trade indices. ECOWAS also mentioned that the update to Eurotrace trade indices module is underway. UNSD provided information that ITC and UNSD is developing trade indices compilation tool using SAS.
11. **Reports on quality:** as recommended by IMTS 2010, it is important to produce regular quality reports on IMTS showing agreed standard quality indicators. In this regard, AUC and partner organizations should propose and design a template for quality report and provide technical assistance if necessary.
12. **Capacity Building:** in general, there is lack of statistical capacity of some staffs that are involved in the capturing and processing of trade data. With this context, there is

need to train the staff that is involved in data capturing, processing and disseminating trade statistics data.

13. **Lack of political support:** There is lack of political support in the development of harmonized trade data in some countries. Leaders have to be sensitized on the importance of harmonizing trade data.

H. INFORMAL CROSS BORDER TRADE

1. **ICBT questionnaire:** the preliminary analysis of ICBT questionnaire has revealed that only handful of countries conducts ICBT survey regularly. Nevertheless, many countries have expressed interest in conducting such survey to ensure full coverage of international trade.
2. **Main challenges:** lack of funding and technical knowledge on how to conduct such surveys is the main constraint. In this regard, there is need to develop common methodology for conducting ICBT Surveys taking into account the particularities in some countries. In addition, financial support perhaps from development partners is also paramount for conducting such surveys.
3. **Quality issues:** It has also been revealed that data from ICBT surveys fall short in terms of quantity, valuation, commodity classification and issues related extrapolation of the result if they are not representative.
4. **Gender dimension:** There is a recommendation that data collected from ICBT surveys should be disaggregated. For example, disaggregation by sex is important for policy formulation.
5. **Integration with main database:** another recommendation made is that data collected on ICBT surveys should be incorporated in the main trade database (several countries have attempted this exercise and it is proven that it can be done.). This should be done after collecting, editing and processing this data.
6. **Motivating factors of ICBT:** there is also need to critically look at factors that causes ICBT to take place. At the same time, there is need to address the challenges

experienced by people when crossing customs border. For example, removing non-tariff barriers or simplifying customs requirements.

I. DATA COLLECTION FOR TRADE IN SERVICES STATISTICS AND COMPILATION PRACTICES ON SELECTED SERVICES CATEGORIES

1. **Status of implementation:** COMESA had completed a pilot study on methodology, data availability and coverage of SITS, FDI and FATS. The study concluded that trade in services data is available in most countries but bilateral trade is limited to some sectors.
2. **EBOPS classification:** in regards to services classifications, MSITS 2010 recommends the use of EBOPS 2010 which is an extension of the main services components of the Balance of Payments classification. However, further breakdown of the service categories are recommended for SITS purposes as well as the inclusion of the partner country breakdown of the service categories. It is recommended that countries focus on the most important service categories as well as the main partner countries to provide detailed information about. The draft correlation table between EBOPS 2010 and CPC 2.0 is available online but it will be revised to reflect the latest version of CPC 2.1.
3. **Construction:** the sources of data for construction services are mainly from ITRS and enterprise survey. Compilers are advised the difference between construction services and foreign direct investment, as it may not easy to identified such categories through ITRS. Considering high construction activities by foreign enterprises in Africa, countries are advised to ensure a proper recording of construction services according to MSITS 2010.
4. **Travel item including tourism:** The travel item of EBOPS is measured for BoP purposes mainly by the central banks meanwhile tourism statistics (domestic and international) is measured by the ministry of tourism or the national statistical office. Travel item is measured using ITRS meanwhile tourism statistics is compiled using a combination of tourism surveys and household surveys as well as administrative data.

Better cooperation between the institutions was suggested to provide more reliable data for both.

5. **Manufacturing services:** It is a new item in trade in services and it is required better recognition of enterprises who provide such services and gives hardship for countries to calculate the service item. It is suggested that countries lay out plan how to effectively measure the service category.
6. **Data sources:** the sources of data vary among countries depending on their national circumstances but ITRS, enterprise survey, household surveys and administrative data sources are used. Furthermore, many countries underline the important of administrative sources. However, it shall be investigated carefully as they may not follow the exact definition of relevant services items.

J. BUSINESS REGISTERS, LINKING TRADE AND BUSINESS STATISTICS AND FATS

1. **Statistical business registers:** the importance of a reliable business register was pointed as an absolute necessity to provide reliable trade statistics if such does not exist in a country. There is a need a common national business register to avoid duplication as many agencies may maintain different business registers with different update strategy. It is important also to link business register to other registers such as job register, population register, etc., in order to increase knowledge without additional burden. It is recognized that the sources of business register may change over time and it should be taken into account in the regular maintenance. The statistical business register is also useful to derive samplings for various enterprise surveys.
2. **Linking trade and business statistics:** variables from trade data (i.e., flow, product, trading partner, etc.) and from business register (i.e., industry, employee, turnover) can be combined with by linking exercise. In addition, it allows for further analysis of traders by specific specifications (i.e., trade by industry, trade by size of enterprise, etc.). For the way forward is to further link the dataset to FDI or FATS datasets. If the

gender dimension has been taken into account in the business register, then it is possible to derive trade by gender.

3. **FATS:** to monitor mode three (commercial presents) of international supply of services, it is important to compile FATS (Foreign Affiliate Statistics). It can be compiled through FDI surveys (by having holding structure) or business registers (by linking trade and business statistics). The preliminary finding in Zambia shows that the large share of exports comes from foreign affiliates in extractive industries. In the future, it can be further linked with trade data.

K. DISSEMINATION OF INTERNATIONAL TRADE STATISTICS

1. **Intra-African Yearbook 2014:** AUC presented its forthcoming Intra-African Yearbook 2014. It is found out that data for several countries is still missing in the report. In order to avoid misinterpretation, AUC needs to clearly specify the methodology for compiling intra-trade data. Furthermore, data submitted to AUC should use general trade system to ensure comparability across countries.
2. **Coordination on data collection:** There is need to give detailed data to international/regional organizations timely. Coordination on data collection will reduce the burden to countries. With this regard, AUC will consult with RECs on how to collect data from these RECs. In some regions, the obligation to submit data is prescribed in legal text and regulation.
3. **Dissemination of data and metadata:** Data is disseminated through publications, press release and on line (website) even it is accessible through mobile devices. There is need to have a release calendar for data dissemination and data should be published simultaneously for different types of user. Responding to the need of data users, now through data lab, it is possible to provide access to access micro-data for research purposes.

L. GROUP DISCUSSION

1. **International Merchandise Trade Statistics:** the discussion focused on three broad topics, namely status of IMTS 2010 implementation, quality issues and informal cross border trade. Many countries have partly implemented IMTS 2010 however the

understanding of concepts and definitions is still a main challenge. To resolve it, participants underlined the need of longer and thorough training, short refresher courses, training-for-trainers, creation of pool of experts and study visit. Many countries faced with quality issues notably timeliness, accuracy and quantity information. Advocacy to Customs on timely data sharing and attention to quantity information is mentioned as one of possible solutions. Informal cross border trade survey is believed to be sufficient to capture most of informal trade and non-registered trade (but not for recording of smuggled goods or illegal trade), however comprehensive methodological guidance is needed. Only handful of countries has started regular survey, due to financial constraint. Furthermore, participants suggested establishing data exchange mechanism among adjacent countries to reduce cost.

2. **Statistics of International Trade in Services:** the discussion groups identified challenges in collecting and processing trade in services such as complexity, delayed responses from enterprises, confidentiality of data, withholding information, lack of adequately trained staff, quick staff turnover, cost implication, issues with IRTS, not proper cooperation between NSO, CB and line ministry. Many countries in the region do not have business register which makes it difficult to identify the establishments involved in foreign trade transactions. The use of IRTS, enterprise survey, household survey and administrative data courses vary in countries but there is intention to strengthen the utilization of administrative data.

M. GENERAL/MAIN CONCLUSIONS AND RECOMMENDATIONS

1. Countries should follow the international standards that have been endorsed by UN Statistical Commission: IMTS 2010, MSITS 2010 and IRTS 2008 for International Merchandise Trade, Trade in Services and Tourism Statistics, respectively.
2. Within the framework of Integrated Economic Statistics implementation, the cooperation among national agencies has crucial importance. It is recommended that such cooperation between the national statistical office, the central bank, customs administration and the line ministry is recommended to be formalized with undersigning MoU between the parties or establish a working group where the agreement can be formalized.
3. Establishing a statistical business registers shall be the first priority in countries or where it has been established it is crucial to maintain the business register on a regular/continuous basis. With this context, AUC, RECs, UNECA, AfDB and partner organizations should support countries by providing them with technical and financial assistance.
4. AUC, RECs, UNECA, AfDB and partner organizations will develop African methodology for conducting ICBT surveys and compiling trade indices. This will be done by setting up of a task force under auspices of African Working Group on International Trade Statistics and Balance of Payments.
5. Under the guidance of AUC, RECs, UNECA, AfDB and partner organizations, countries should link their national customs procedure codes to Revised Kyoto Convention Customs Procedures, extended trade flow (i.e., exports of foreign goods, exports of domestic goods, etc.) and system of trade (general and special). The dataset resulting from such linking should be made public.
6. African countries' experiences in linking trade and business statistics have been positive as new knowledge has been acquired with minimal investment and without additional burden for respondents. Therefore, it is recommended to start or continue such exercise by perfecting linking methodology, developing standard analytical

tables and exploring possibilities to further link the dataset with FATS, FDI, or National Accounts.

7. AUC, RECs, UNECA, AfDB and partner organizations with the support of UNSD will develop a road map and implementation strategy of both IMTS 2010 and MSITS 2010 taking into account national level of knowledge and progress made on implementation of IMTS 2010 and MSITS 2010. In addition, UNSD will continue working closely with partner organizations (i.e., AUC, ECOWAS, UEMOA, COMESA) to ensure proper understanding and implementation of IMTS 2010 and MSITS 2010.
8. It is recommended that countries develop and publish regular quality reports that cover the full range of statistical processes and their outputs and be updated in regularly at least every five years. The report shall contain quality indicators for international merchandise trade statistics that easy to interpret by both internal and external users. In this context, AUC, RECs, UNECA, AfDB and partner organizations would design and propose standard quality indicators through African Working Group on International Trade Statistics and Balance of Payments.