



# Using IMTS for BOP trade in goods

Adjustment to coverage,  
classification, valuation and timing

**Markie Muryawan**  
**United Nations Statistics Division**  
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# IMTS – Primary Source for BOP trade in goods

- Most compilers use IMTS as the main source
- But some differences in concepts, due to main recording principle of Cross border vs. Change of ownership
- However, IMTS 2010 has eliminated some conceptual differences
  - Recording of mobile equipment that changes ownership while outside the country of residence of its original owner
  - Fish catch, minerals from the seabed and salvaged
  - Bunkers, stores, ballast and dunnage
- Additional adjustment required due to national practices
  - Adjustment due to the trade system used
  - Trade not included in IMTS

# Adjustment

- Guidelines on IMTS to BPM6 adjustment are available in
  - IMTS 2010 Annex F
  - IMTS 2010 Compilers Manual Chapter XXIV
  - BPM6 Chapter 10
  - BPM6 Compilation Guide Chapter 5 and 11
- Type of adjustments
  - **Coverage** (excluding/including goods that have not/have changed ownership but recorded /recorded in IMTS)
  - **Classification** (goods to services)
  - **Valuation** (i.e., replacing transfer prices by market prices)
  - **Timing** (timing of crossing the border vs. timing of change of ownership)

# Adjustment for Coverage (1/4)

- Goods without a change of ownership
  - Migrants' personal effects (-)
  - Return goods (-)
  - Goods transferred from or to a buffer stock organization (-/+)
  - Goods which cross borders as a result of transactions between related parties (-)
  - Non-monetary gold transactions between residents and non-residents without physical movement (-/+)
- Goods for processing without a change of ownership (-)
  - IMTS encourages to identify these categories of goods (para. 1.21)
- Goods related to processing abroad without change of ownership
  - Goods acquired from other economies for processing abroad (+)
  - Goods sold abroad after processing in other economies (+)

# Adjustment for Coverage (2/4)

- Goods lost or destroyed after having crossed one national boundary
  - Goods lost or destroyed before change of ownership (but has been recorded as exports) (-)
  - Goods lost or destroyed after change of ownership but before entering the importing country (+)
- Illegal and smuggled goods (that are otherwise legal)
  - Goods entering or leaving the economic territory of a country illegally (+), and IMTS encourages to identify these categories of goods (para. 1.59)
- Changes in stocks of goods that never cross the border of the owner's economy
  - Net exports of goods under merchanting (+)

# Adjustment for Coverage (3/4)

- Adjustments related to the use of special trade system
  - Addition of flows of goods that are not covered (+)
  - Deductions of flows that are covered in special trade system (-)
- Possible deductions related to non-compliance to IMTS 2010
  - Government goods consigned to armed forces and diplomatic representatives abroad (-)
  - Goods for temporary admission (-)
  - Transit Trade (-)

# Adjustment for Coverage (4/4)

- Possible additions related to non-compliance to IMTS 2010
  - Non-monetary gold (+)
  - Trade on government account (+)
  - Electricity and water (in some cases gas and oil via pipelines) (+)
  - Informal cross border trade (+)
  - Goods not crossing both borders (mobile equipment used in international waters, fuels, provisions, stores, etc.) (+)

# Adjustment for Classification

- Goods forming part of BOP services
  - Customized recordings on physical media (-)
  - Non-customized recordings on physical media with periodic license (-)
- Goods imported for construction
  - Goods imported for construction projects by non-resident enterprises, where construction projects are not sufficiently substantial to constitute a branch of the enterprise (-)
- Possible deductions related to non-compliance to IMTS 2010
  - Monetary gold (-)
  - Securities, bank notes, coin in circulation (-)



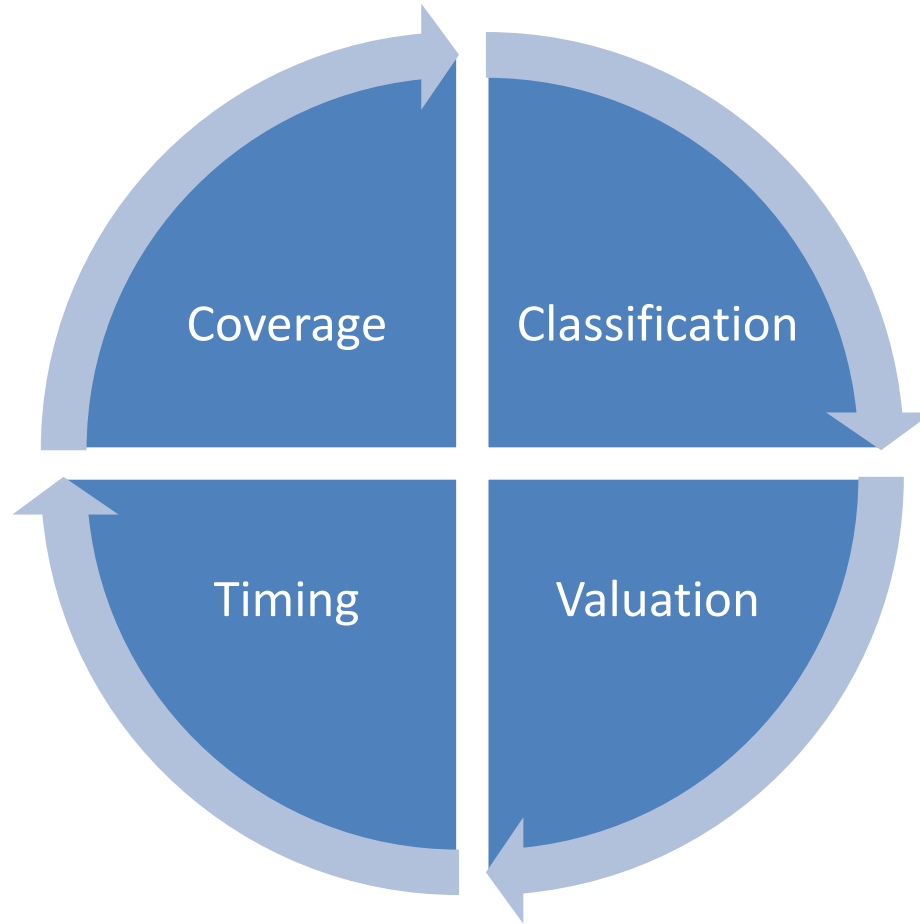
# Adjustment for Valuation

- Conversion of imports from CIF to FOB (-)
- Replacement of estimates with actual values
  - IMTS or BOP compilers should make the necessary adjustments (i.e., aid goods)
- Replacement of transfer prices with market prices
  - Related to transactions between enterprises in a direct investment relationship
  - IMTS or BOP compilers should make the necessary adjustments
- Replacement of customs values with transactions values
  - If customs value for duty differ from the actual transaction price
- Corrections for inappropriate exchange rates used in IMTS

# Adjustment for **Timing**

- Replacing IMTS with data from the books of enterprises
  - If the period in which a change in economic ownership does not coincide with transaction recorded in IMTS
  - Typically made only when significant amounts (-/+)
- Consignment trade adjustment
  - Goods shipped abroad on consignment should be deducted from exports recorded in IMTS and replaced with the actual sales of goods from stocks held abroad by resident (and vice-versa)
- Adjustments to correct IMTS recorded on the basis of processing dates
  - Case which IMTS are based on the date on which customs entries are processed

# Recap - Adjustment



# Thank you

Please send your comments to  
[muryawan@un.org](mailto:muryawan@un.org)