Introduction to IMTS 2010 and Compilers Manual

IMTS 2010 Concepts and Definitions
IMTS 2010 Compilers Manual

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A two year long journey with broad support from countries

• Two rounds of worldwide consultation
  • In 2008 on 17 critical issues
  • In 2009 on the full draft of the revised recommendations

• 3 Virtual meetings of the EG-IMTS

• 2nd meeting of EG-IMTS in November 2009
  • endorsed the draft text of IMTS 2010 subject to several amendments and clarifications

• Submission to United Nations Statistical Commission in 2010
  • Subsequently endorsed by UNSC, known as IMTS 2010
Decision of the Statistical Commission at its 41 session (23-26 February 2010)

• The Statistical Commission: [excerpts]

(b) Adopted International Merchandise Trade Statistics: Concepts and Definitions 2010 (IMTS 2010) and endorsed the implementation programme [...], including the preparation of the revised IMTS Compilers Manual and continued technical assistance activities;

(d) Requested that more attention is given to strengthening institutional arrangements in countries to ensure that proper national coordination mechanisms exist for the compilation of high quality international merchandise trade statistics; also, cooperation with compilers of statistics on international trade in services, balance of payments and national accounts should be ensured;

(f) Advised that in the future research agenda a due consideration is given to the emerging trade policy needs and the globalization issues; in this context, linkage with business statistics and measuring merchandise trade in terms of value added should be further explored.
Responding to the needs of balance of payments and national accounts

- Separate recording of goods for processing without change of ownership and trade with related parties is encouraged in IMTS 2010;
- IMTS 2010 recommends symmetrical recording of a number of transactions previously treated differently in export and import statistics (i.e. bunkers and stores);
- Encouragement to cooperate with BOP/NA compilers with respect to the recording of goods of special interest (i.e. media);
Retained core elements from previous revision

| Scope & time of recording       |
| Trade system                   |
| Commodity Classification       |
| Valuation                      |
| Quantity                       |
| Partner country                |
Definition of the scope of international merchandise trade statistics as recording of goods which add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory (para 1.2).
But with clarification ...

- **Estimation of trade** below customs and statistical thresholds, if significant (shuttle trade, travellers)

- **Change of ownership** for some goods (even without entering/leaving economic territory)
Inclusion / Exclusion

• IMTS 2010 describes in details all goods recommended for inclusion and exclusion [Chapter I]
  – If necessary, we can go through them

• If there is a doubt, we go back to the statement of “scope”
  – Example: Do we record goods for short term exhibition? How about software?
Time of recording

• ... entering (imports) or leaving (exports) its economic “or statistical” territory ...

IMTS2010 Recommendation:

☐ As a general guideline, record goods at the time when they enter or leave the economic territory of a country (para. 1.8)

• Many choices. As an example for imports (customs records): date of arrival, -- of registration, -- of assessment, -- payment of duties, -- of release, etc.
Trade System

Definition of the scope of international merchandise trade statistics as recording of goods which add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory.

What, How, When, Where
Basic terms: Territories

- **Economic territory**
  - The area under the effective control of a single government
- **Statistical territory**
  - Territory with respect to which trade data are being compiled
- **Customs territory**
  - Territory in which the Customs law of a state applies
Trade System = Territory

• **General** Trade System: statistical territories = all economic territories

• **Special** Trade System: statistical territories = parts of economic territories

**IMTS2010 Recommendation:**

- Use the **general trade system** for compilation of both import and export statistics (para. 2.20)
Commodity Classification

Definition of the scope of international merchandise trade statistics as recording of goods which add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory.

What, How, When, Where
Reasoning

• Common language in defining and categorizing goods
  – Is a “smart watch” a watch or an electronic device?
• Without it, trade data would not be comparable
• Has been evolving since 1900 ...from “minimum list of commodities”, SITC, HS
And now ...

**Relationship between different classifications**

- **Activity classification**: Mainly use for production
- **Product classification**: Mainly use for merchandise trade

- **ISIC**
- **CPC\(^a\)**
- **SITC**
- **BEC**

- For trade analysis
- For data collection and analysis

\(^a\) Includes services.
The latest version

- HS 2017 (in force in 2017) - WCO
- SITC Rev. 4 (based on HS 2002) - UN
- BEC Rev. 5 (adopted March 2016) - UN
- CPC Rev. 2.1 (2015) – UN

**IMTS2010 Recommendation:**

- Use HS for the collection, compilation and dissemination of international merchandise trade statistics (para. 3.11)

**UNSD maintains correlation tables among different classifications**
ТОВАРНАЯ НОМЕНКЛАТУРА ВНЕШНЕЭКОНОМИЧЕСКОЙ ДЕЯТЕЛЬНОСТИ

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Раздел VI: Продукция химической промышленности

Раздел VII: Пластмасса и резина

Раздел VIII: Шерсть, кожа, мех и изделия из них

Раздел IV: Деревообработка

Раздел IX: Массы из древесины, бума, картона

Раздел X: Текстильные материалы и телесные изделия

Раздел XI: Обувь, головные уборы, зонты, трегги

Раздел XII: Камень, керамика, стекло

Раздел XVI: Черные металлы

Раздел XVII: Прочие металлы

Раздел XVIII: Оборудование, электромашины

Раздел XIX: Промышленные товары, промышленные товары

Управление статистики внешнеторговой деятельности и торговли
Definition of the scope of international merchandise trade statistics as recording of goods which add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory.
Recommendation

IMTS2010 Recommendations/Encouragements:

- Use free on board (FOB-type) valuation for exports (border of the exporting county) and cost, insurance and freight (CIF-type) valuation for imports (border of the importing country); countries are encouraged to compile FOB-type value of imported goods as supplementary information (para. 4.8).

- Selected special cases:
  - Goods bundled with services
  - Electricity, gas, oil and water
  - Banknotes and securities and coins not in circulation
  - Returned goods
Quantity

Definition of the scope of international merchandise trade statistics as recording of goods which add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory.

What, How, When, Where, What to measure
Importance of Quantity

- It can be used in checking the reliability of the value data;
- It is indispensable in the construction of external trade indices and for transportations statistics.

IMTS2010 Recommendation:
- Compilation and reporting of quantity information: collect or estimate, validate and report quantity information in WCO standard unit of quantity and in net weight on all trade transactions (para. 5.5)
Definition of the scope of international merchandise trade statistics as recording of goods which add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory.
Partner country attribution

• Imports
  – Country of Purchase
  – Country of Consignment
  – Country of Shipment
  – Country of Origin

• Exports
  – Country of Sale
  – Country of Consignment / Destination
  – Country of Shipment
  – Country of Last Known Destination
  – Country of Consumption
And the recommendation is ..

**IMTS2010 Recommendations:**

- For **imports**: country of origin; for **exports**: country of last known destination [6.25]

- Country of consignment, as the second partner attribution, in the case of **imports** [6.26]

**IMTS2010 Encouragement:**

- Country of consignment, as the second partner attribution, in the case of **exports** [6.26]
Recap: Updated core elements

Scope

- Clarifications, separate identification of certain transactions (inclusion/exclusion)

Valuation

- Imports on the FOB basis (in addition to CIF); valuation of specific categories of goods

Quantity

- Recommendation further clarified

Partner country

- Second partner country (country of consignment)
New data items for international reporting

**Valuation**
- Imports on the FOB basis (in addition to CIF); valuation of specific categories of goods

**Partner country**
- Second partner country (country of consignment)

**Mode of Transport**
- Add as additional data dimension

**Customs procedure codes (CPC)**
- Customs procedures applied to individual transactions to be made part of the data set provided by customs
Minimum set
Trade by Commodity and Partner

Extended sets
(1) Minimum set + 2nd partner and/or
(2) Minimum set + customs procedure code and/or
(3) Minimum set + mode of transport

Full set
Minimum set + 2nd partner + mode of transport + customs procedure code + imports FOB
Recommendations in 6 new areas

- Data quality
- Use of different data sources
- Linking trade and business statistics
- Metadata compilation and dissemination
- Establishment of necessary institutional arrangements
- Dissemination issues: confidentiality for merchandise trade statistics, time table for data release, revision policy
IMTS 2010 CM
(302 pages)
IMTS Compilers Manual, Revision 1 (IMTS 2010-CM)

**Goal:** To provide further and more detailed explanation of certain recommendations and practical guidance by describing good practices applicable under different circumstances.

**A two year effort:**
- September 2010: Agreement on initial draft outline (EG-IMTS)
- January – December 2011: Virtual and face-to-face meetings of the EG-IMTS
- February 2012: Submission of draft text to Statistical Commission
- Dec 2013: White cover (edited) IMTS 2010-CM released
Part I. Legal framework and data sources

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  • Customs declarations and related customs records  
  • Non-customs administrative sources  
  • Enterprise surveys | • The legal framework for trade statistics in Morocco  
• Use of the drawback procedure: experiences of Brazil and Canada  
• Example from Norway: use of ships registers  
• Example from USA: obtaining information on goods transactions through postal and courier services.  
• Experience of Uganda: Informal Cross Border Trade Surveys |
# Part II. Data compilation

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• Statistical territory and organization of data collection  
• Integration of data from different sources  
• Data processing and database management  
• Data quality: assurance, measurement and reporting  
• Data compilation in the case of customs unions  
• Integrating trade and business statistics | • Integrated Foreign Trade System of Brazil: institutional arrangements  
• European Union practices concerning specific territorial elements  
• Uganda: use of data of the commodity authority  
• Automated System for Customs Data (ASYCUDA)  
• Eurostat merchandise trade statistics quality report  
• Southern African Customs Union (SACU)  
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• UNSD correlation and conversion tables available
Part VI. External trade indices and seasonally adjusted data

Chapter

- External trade indices
- Seasonally adjusted data

Country Experience

- External trade indices: practices of the Czech Republic
- Seasonally adjusted data: Example of Norway
Gradual/Parallel Implementation Plan (Countries)

- Core elements: Inclusion/Exclusion, General Trade System, Annual/Monthly
- Extended data items: Imports FOB, Country of Consignment, CPC, Mode of transport
- Advanced elements: External trade indices, Seasonally adjusted data, Quality report
- Linking trade and business statistics: Trade by Enterprise Characteristics
- Compliance with SDMX: Automated data exchange
IMTS 2010 Implementation at UNSD

Technical assistance

(i) **Workshops and seminars, including partnerships in training**

(ii) **Countries mission**

Research agenda

(i) **To address bilateral asymmetries in partner statistics**

(ii) **Address the issue of quality of quantity information**

(iii) **Finding innovative methods of linking trade and business statistics**

(iv) **Trade in terms of value added and to clarify the international production chain**

(v) **Good practices in the compilation of the trade indices and various analytical indicators and**

(vi) **Efficient ways of automated data transfer between countries and international organizations**
IMTS 2010 Implementation at UNSD

Upgrade and enhancement of UN Comtrade (International Trade Statistics Database) - 2017

(i) Inclusion of new data variables recommended in IMTS 2010
   - Mode of transport
   - Country of consignment as second partner country
   - FOB-type value for imports
   - Customs procedure Codes / Identifier for special transactions (intra-firm trade, goods for processing etc.)

(ii) Adding monthly trade data (+ services trade data)

(iii) Significant enhancement of metadata

(iv) Creation of global trade data structure (SDMX-IMTS)

(v) Data visualization (cooperation with other stakeholders)
Thank you

Please send your comments to
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