

Regional Workshop on International Merchandise Trade Statistics

Strengthening Data Compilation and Analytical Capacity

11-13 September, 2017

Suzhou, China

Agenda item 18: Bilateral Trade Asymmetries



Workshop on IMTS
Suzhou, 11-13 Sep 2017

United Nations
Statistics Division



Chapter 12 describes:

Reconciliation and sharing of official GVC statistics

- Consistency of business and trade statistics across countries
- Need for data sharing
- **Methodological approaches and recommendations to resolve bilateral asymmetries**
- Advantages, ways forward and challenges of building a global register of enterprise groups
- Shared GVC-specific multi-partner extended SUT

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 - ii. International Collaboration on Microdata Access
- B. **Focusing on specific GVCs and main partners**

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- A. Building the Global Groups Register
- B. **Focusing on specific GVCs and main partners**

Bilateral asymmetries in merchandise trade statistics

- ➔ Valuation: CIF (imports) – FOB (exports)
- ➔ Partner country attribution: Country of Origin ↔ Country of Consignment
- ➔ Differences in coverage (Trade system and the inclusion or exclusion of certain transactions)
- ➔ Under-valuation on exports (Goods for processing)
- ➔ Differences in goods classification
- ➔ Suppression of details due to confidentiality
- ➔ Time of recording

Value: FOB and CIF

- **Exports valued at FOB** include the value of the goods plus services to deliver goods to the border of the *exporting* country
- **Imports valued at CIF** include the value of the goods plus insurance services and freight services from the country of export to the country of import

Compilation of Imports FOB can be done

- (1) via direct reporting of insurance and freight on Customs declarations or
- (2) via estimation on the basis of surveys of importers or econometric (gravity) models, taking account of kind of goods (e.g. need for refrigeration), distance to partner country, and mode of transport

Partner country attribution

- “Country of origin” at imports and “country of final destination” at exports are often not symmetrically recorded
- Country of origin is the country where the last “substantial transformation” of the good took place. The importing country knows the country of origin.
- Country of final destination – in practice – is the next country, where goods will be cleared. The exporting country does not know with certainty where the goods will end up.
- **The country of final destination may coincide with the country of origin, but with a fragmented production process, this may be rather the exception than the rule.**
- This means that the use of “country of origin” at imports leads to bilateral asymmetries in merchandise trade statistics

Partner country attribution

How to reconcile asymmetries caused by partner country attribution?

- **Country of consignment** means the next country where goods were (imports) or will be (exports) cleared
- IMTS2010 recommends country of consignment for imports and exports (as additional partner country attribution)
- **Country of consignment will reduce by definition the asymmetries caused by partner country attribution**

Partner country attribution

2014 - USA exports to Canada vs Canadian imports from USA		total trade	HS 87 source:
		<i>(millions of US\$)</i>	
a	US exports to Canada	312,371	51,422 COMTRADE
	<i>of which:</i>		
b	US re-exports to Canada	49,364	3,325 COMTRADE
c	Canadian Imports from US (origin=USA)	251,794	46,886 COMTRADE
	<i>less</i>		
d	Canadian imports from US (origin=USA, direct shipment<>USA)	2,282	23 StatCan
	<i>plus</i>		
e	Canadian import from US (origin<>NAFTA & direct shipment=USA)	42,301	2,447 StatCan
	<i>plus</i>		
f	Canadian import from US (origin=Canada & direct shipment=USA)	2,761	240 StatCan
	<i>plus</i>		
g	Canadian import from US (origin=Mexico & direct shipment=USA)	11,572	1,146 StatCan
	<i>plus</i>		
h	transportation cost from the point of direct shipment	7,305	709 StatCan
	<i>equal</i>	313,451	51,403

Random asymmetries

- Differences in **classification of goods** at exports and at imports
- Differences in **valuation of goods** at exports and at imports
- **Suppression of detail** of goods transactions at imports or at exports
- Differences in the **exclusion of certain types of goods** transactions at imports or at exports
- Differences in **time of recording** of goods at exports and at imports

Data sharing among statistical agencies

Main benefits:

- lower response burden
- lower non-response rate
- improved efficiency
- better precision

Main challenges:

- legal and confidentiality constraints
- dependency on external data providers
- timeliness
- differences in concepts and classifications
- quality issues of external data
- maintaining trust
- technical capacity
- willingness to exchange data

Strategies:

- bilateral agreements
- communication with respondents
- following best practices
- back-up systems/strategies for breaks in external data flow
- new editing and now casting methods
- co-operating with partners
- developing coordination mechanisms
- exchanging information & experience
- developing guidelines or technological tools

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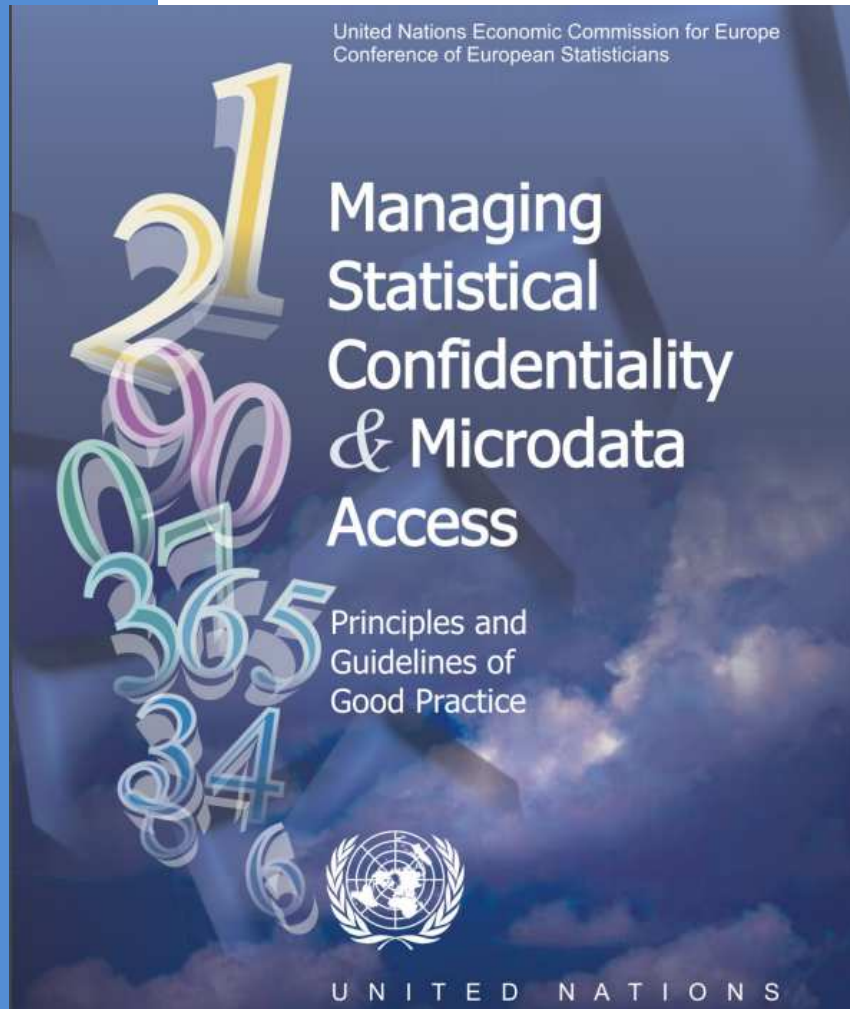
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Data sharing: International initiatives



OECD EXPERT GROUP FOR INTERNATIONAL COLLABORATION ON MICRODATA ACCESS

FINAL REPORT





Data sharing: Country and regional examples

Networking Exercises: The FDI Network



U.S. – Canada Data Exchange



G-20 DATA GAPS INITIATIVE



Intra-EU trade - exchange of micro-data

Questions?



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