

# Regional Workshop on International Merchandise Trade Statistics

*Strengthening Data Compilation and Analytical Capacity*

11-13 September, 2017

Suzhou, China

## Agenda item 5: International Recommendations

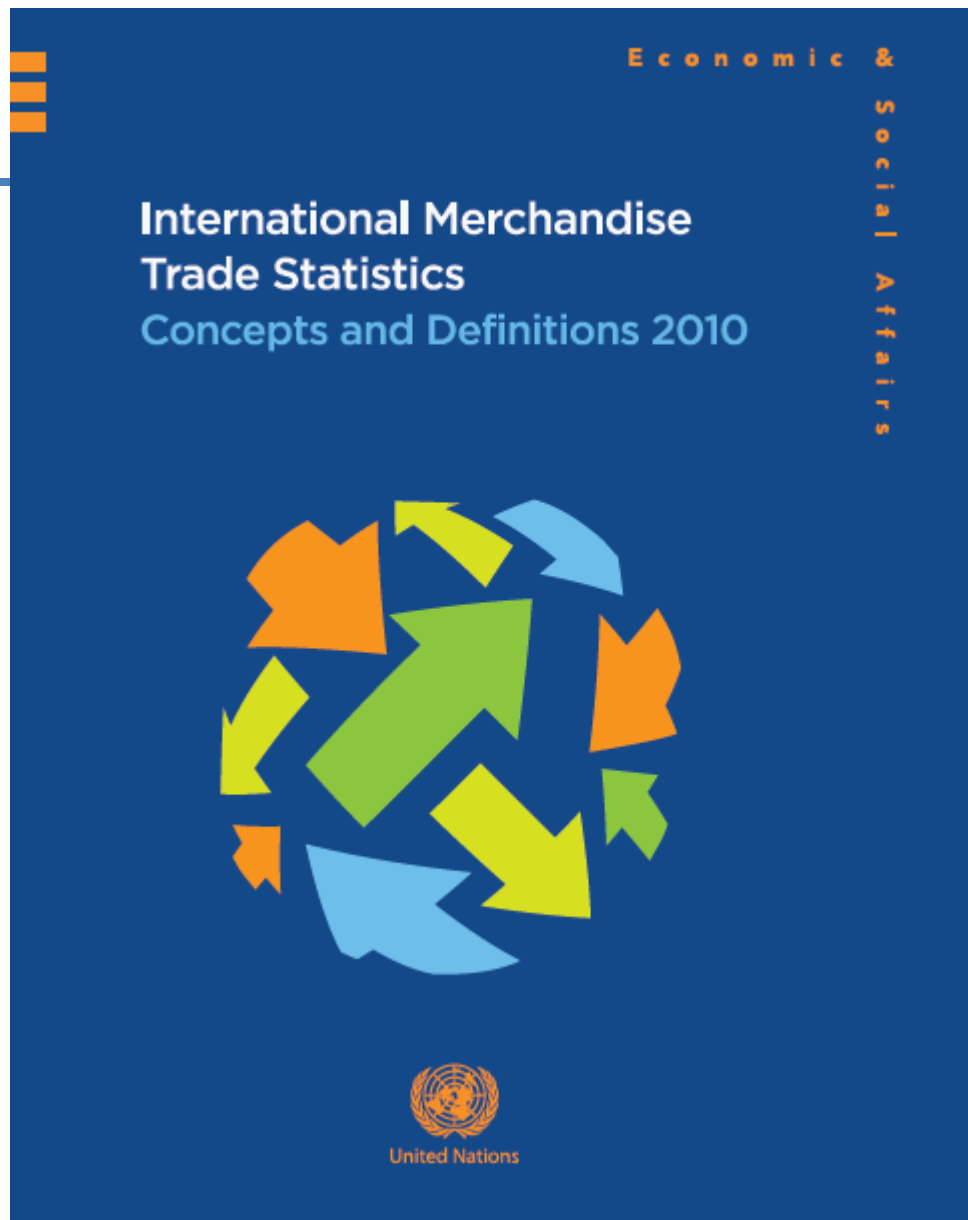


Workshop on IMTS  
Suzhou, 11-13 Sep 2017

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Statistics Division



# IMTS 2010



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# IMTS 2010

- ➔ Scope and Time of Recording
- ➔ General Trade System and Customs Procedures
- ➔ Commodity Classification
- ➔ Valuation
- ➔ Quantity
- ➔ Partner Country



# IMTS 2010

- ➔ Mode of Transport
- ➔ Data Quality
- ➔ Metadata
- ➔ Dissemination
- ➔ Supplementary Topics
  - Trade Indices
  - Linking Trade and Business statistics



## Scope: Physical Movement of Goods across Borders

### International merchandise trade statistics

- ✓ 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**

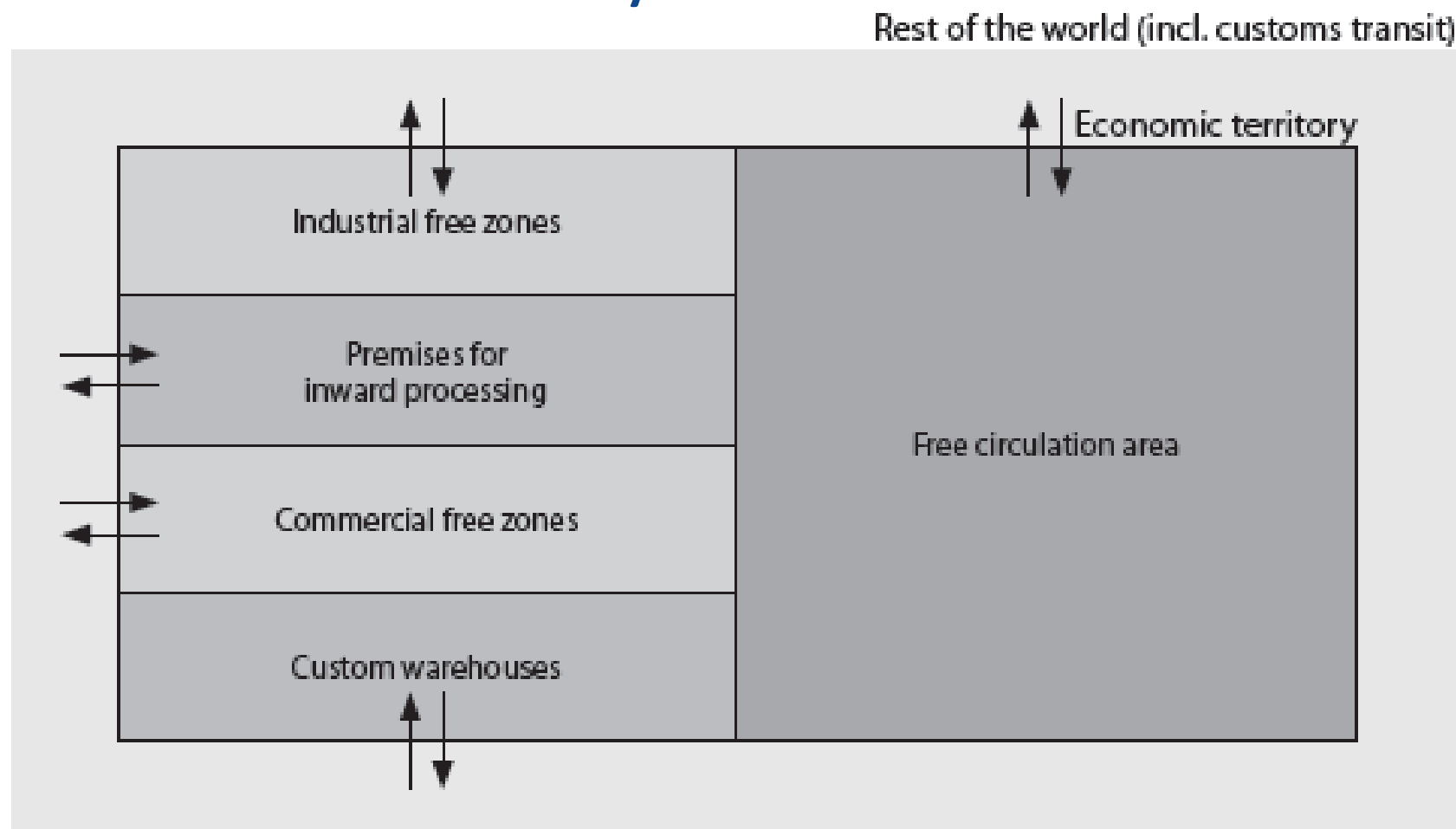
#### Note:

Also included in IMTS even if not crossing the border

- **Ships and aircraft,**
- **Satellites and their launchers,**
- **Mobile equipment that changes ownership while outside the residence of its original owner**



# General Trade System



—▶ Representing imports and exports under the respective trade system.



# Time of Recording

- Time of recording is the time of **entering** (imports) or **leaving** (exports) the economic territory
- Since the **time of lodgement** generally approximates that of the crossing of the border of the economic territory of a country, it is recommended by IMTS 2010 to use the time of lodgement as the time of trade data recording in the case of customs-based systems of data collection.



# Excluded

- ➔ Transshipment (“in transit”)
- ➔ Temporary admission subject to re-exportation in the same state
- ➔ Goods under Operational leasing
- ➔ Goods for Repair or Maintenance
- ➔ Goods under Merchanting

# Included

- ➔ Goods for processing
- ➔ Goods into Customs Warehouses
- ➔ Humanitarian Aid
- ➔ Goods under Financial leasing

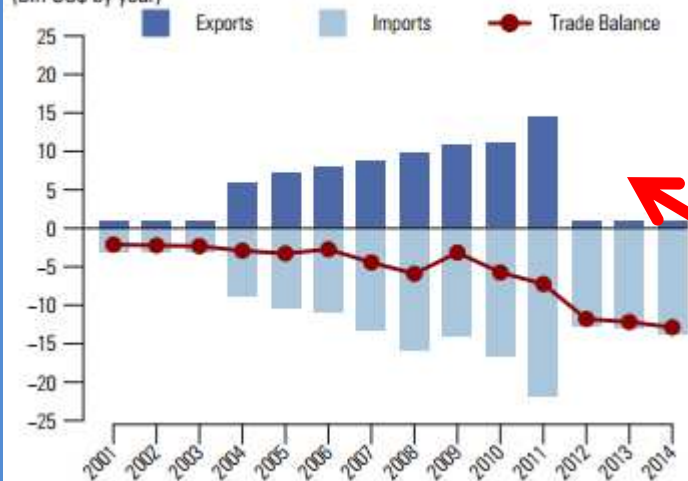




# Export Processing Zones

- Free zones, especially Export Processing Zones can have significant exports/imports activities, thus it's important for economic analysis

Graph 1: Total merchandise trade, by value  
(Bln US\$ by year)



No EPZ data

# Compiling free zones

- Use **customs records, if possible**
- Additional **data sources**
  - Administrative data from free zone operators
  - Enterprise surveys (*more reporting burden*)
- If non-customs sources are used, then it is needed to **merge or reconcile** the information



# Customs Procedure Codes (Ch. VIII, A.1)

- (a) *Should be included in trade statistics as follows:*
- (i) Clearance for home use (Revised Kyoto Convention, Specific Annex B/ Chapter 1);
  - (ii) Reimportation in the same state (Revised Kyoto Convention, Specific Annex B/ Chapter 2);
  - (iii) Outright exportation (Revised Kyoto Convention, Specific Annex C/ Chapter 1);
  - (iv) Customs warehouses (Revised Kyoto Convention, Specific Annex D/ Chapter 1);
  - (v) Free zone (Revised Kyoto Convention, Specific Annex D/ Chapter 2);
  - (vi) Inward processing (Revised Kyoto Convention, Specific Annex F/ Chapter 1);
  - (vii) Outward processing (Revised Kyoto Convention, Specific Annex F/ Chapter 2);
  - (viii) Drawback (Revised Kyoto Convention, Specific Annex F/ Chapter 3);
  - (ix) Processing of goods for home use (Revised Kyoto Convention, Specific Annex F/ Chapter 4);



# Customs Procedure Codes (Ch. VIII, A.1)

(b) *Should be excluded from trade statistics as follows:*

- (i) Customs transit (Revised Kyoto Convention, Specific Annex E/ Chapter 1);
- (ii) Transshipment (Revised Kyoto Convention, Specific Annex E/ Chapter 2);
- (iii) Carriage of goods coastwise (Revised Kyoto Convention, Specific Annex E/ Chapter 3), provided that the goods have not been admitted;
- (iv) Temporary admission (Revised Kyoto Convention, Specific Annex G/ Chapter 1);
- (v) Travellers (Revised Kyoto Convention, Specific Annex J/ Chapter 1), only in respect of goods covered in para. 1.49(a) above;
- (vi) Means of transport for commercial use (Revised Kyoto Convention, Specific Annex J/ Chapter 3);



# Commodity Classification

- Harmonized System 2017
- Broad Economic Categories, Revision 5
- SITC, Revision 4
- Central Product Classification 2.1
- ISIC, 4



# Valuation

- Statistical value = Customs Value
- Customs Value follows WTO Agreement on Valuation (Annex D)
  - i. Customs value is transaction value (price actually paid)
  - ii. Transaction value of unrelated parties
  - iii. Transaction value of similar goods
  - iv. Cost of materials and fabrication + usual profit + other necessary expenses

➔ **This should hold for imports and exports**



# Valuation: Recommendations

- Imports CIF
- Imports FOB
  - **Calculate** for each transaction if Freight and Insurance available
  - **Estimate** for each transaction based on detailed ratios for Freight and Insurance which are broken down by detailed commodity, partner country and Mode of Transport
- Exports FOB



# Quantity

For all statistical records it is recommended to report

- Net weight in kilograms
- WCO standard unit of quantity

If possible make quantity information mandatory on Customs declarations.

Weight <sup>103</sup>	kilograms (kg) carat (carat)
Length	metres (m)
Area	square metres (m <sup>2</sup> )
Volume	cubic metres (m <sup>3</sup> ) litres (l)
Electrical power	1,000 kilowatt-hours (1,000 kWh)
Number (units)	pieces/items (u) pairs (2u) dozens (12u) thousands of pieces/items (1,000u) packs (u (set/pack))





# Partner Country

## Recommendations:

- Imports Country of Origin
- Imports Country of Consignment
- Exports Country of last known destination
- Exports Country of Consignment

**Country of Consignment** = the country from which the goods were dispatched to the importing country (are dispatched by the exporting country) without any commercial transaction or any change of legal status taking place in any intermediate country.



# Mode of Transport

The Mode of Transport is the means of transports used when goods enter or leave the economic territory.

1. Air
2. Water
  - 2.1 Sea
  - 2.2 Inland waterway
3. Land
  - 3.1 Railway
  - 3.2 Road
4. Not elsewhere classified
  - 4.1 Pipelines and cables<sup>121</sup>
    - 4.1.1 Pipelines
    - 4.1.2 Cables
  - 4.2 Postal consignments, mail or courier shipments
  - 4.3 Self-propelled goods
  - 4.4 Other



# Data Quality

**Table 9.1**

- Relevance
- Accuracy
- Timeliness
- Methodological soundness
- Coherence
- Accessibility

**Table 9.1**  
Suggested indicators for measuring the quality of international merchandise trade statistics

Quality dimension	Quality measure and indicator
Relevance	<ol style="list-style-type: none"> <li>1. Gaps between key user interests and compiled international merchandise trade statistics in terms of concepts, coverage and detail.</li> <li>2. Results of users' satisfaction surveys and meetings with user groups.</li> </ol>
Accuracy	<ol style="list-style-type: none"> <li>1. Application of reporting thresholds.</li> <li>2. Undercoverage (percentage of non-reporting due to thresholds, percentage of non-reporting due to non-response).</li> <li>3. Characteristics and frequency of revisions (e.g., as percentage of total value).</li> <li>4. Application of confidentiality and its impact.</li> <li>5. Use of data validation techniques and their impact.</li> </ol> <p>In the case of sample surveys-based international merchandise trade estimates, the accuracy can be measured using the following indicators:</p> <ol style="list-style-type: none"> <li>6. Sampling errors.</li> <li>7. Non-sampling errors:               <ol style="list-style-type: none"> <li>(a) Unit response rate;</li> <li>(b) Item response rate.</li> </ol> </li> <li>8. Number and average size of revisions of international merchandise trade data.</li> </ol>
Timeliness	Time lag between the end of the reference period and the date of the first release (or the release of final results) of international merchandise trade data.
Methodological soundness	Number and degrees of divergences from the relevant international statistical standards in concepts and measurement procedures that are used in the collection and compilation of international merchandise trade statistics (preferably in terms of the amount of data affected).
Coherence	<ol style="list-style-type: none"> <li>1. Use of common concepts, classifications, data sources and methods.</li> <li>2. Availability of appropriate bridging tables.</li> </ol>
Accessibility	<ol style="list-style-type: none"> <li>1. Number and types of means used for dissemination of international merchandise trade statistics.</li> <li>2. Degree to which all detailed data sets are made available, as a percentage of total international merchandise trade statistics data sets produced.</li> <li>3. Dissemination of complete metadata used.</li> </ol>

# Metadata

- a) A description of all underlying concepts and definitions, including deviations from international standards, if any;
- b) The legal framework, institutional arrangements and description of data sources;
- c) A description of data-collection and data-processing procedures;
- d) A description of estimation methods;
- e) A data-dissemination policy, incl release and revision schedules;
- f) A description of all data fields/variables (reference period, trade flow, commodity classification, valuation, currency, quantity and supplementary quantity, partner country);
- g) Explanations and footnotes concerning the data, as required, e.g., informing users about revisions, break in series and application of confidentiality, etc.;
- h) Quality reporting.



# Dissemination

- Statistical confidentiality (only when traders request)
- Reference period
- Release schedule
- Timeliness and frequency
- Coherence of Monthly, Quarterly and Annual data
- Revision policy
- Dissemination strategy (website, other media)
- Dissemination of Metadata
- International reporting (use of SDMX)



## Special Topic – Trade Indices

**It is recommended** that all countries produce and publish, on a monthly, quarterly and annual basis, both volume (quantum) indices and either price or unit-value indices for their total imports and exports.

**Countries are also encouraged** to calculate and publish such indices for commodity groups of particular importance to countries at least quarterly and annually.

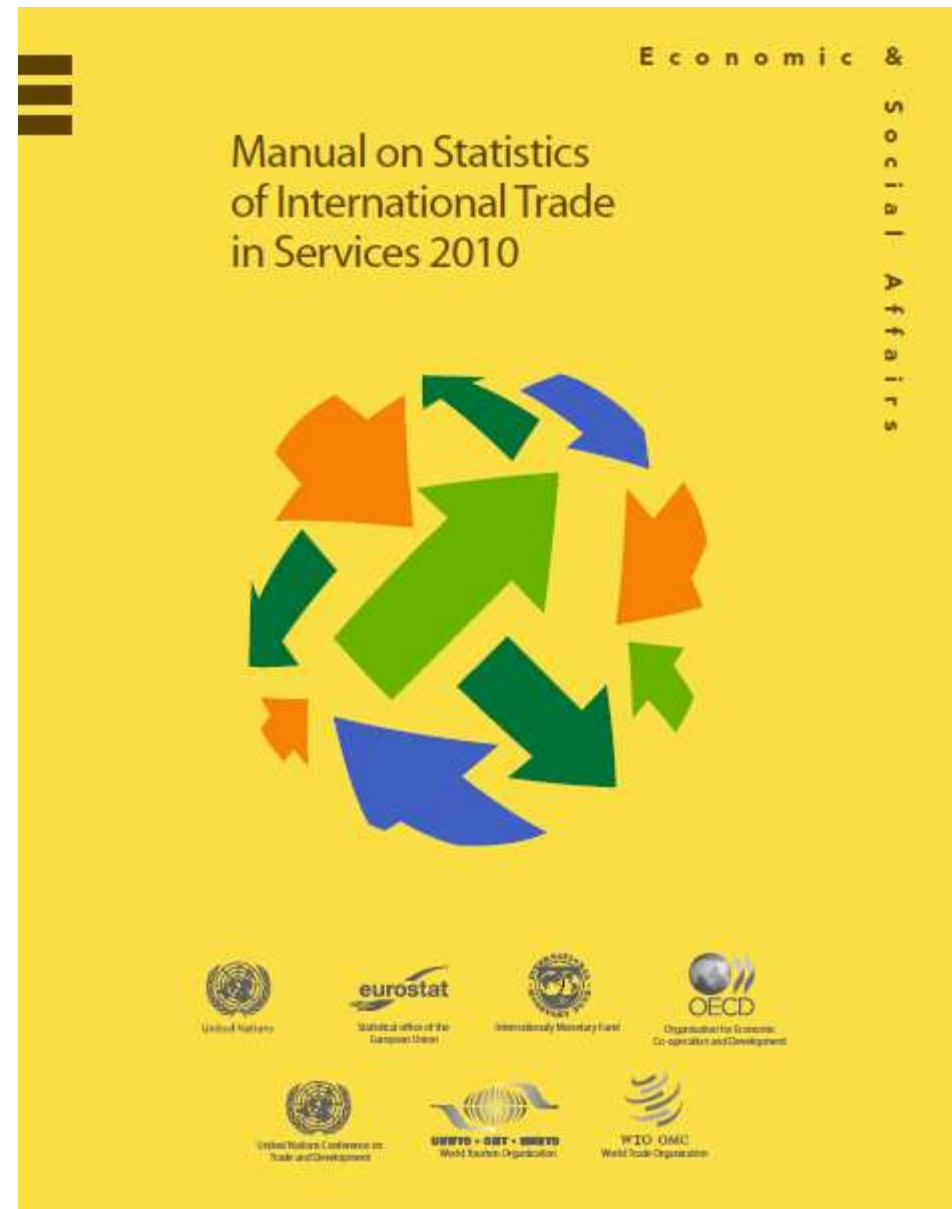


## Special Topic – Linking Trade and Business Statistics

**Countries are encouraged** to integrate their trade register with their business register and to take steps towards establishing an integrated system of economics statistics for data compilation and analysis. Further examples of the applications of linking trade and business statistics will be provided in the updated version of IMTS Compilers Manual.



# MSITS 2010 UNSD - Wiki



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# Manufacturing Services (UNSD Wiki)

## C.3. Manufacturing services surveys

- Includes activities such as **processing, assembly, labelling and packaging**, undertaken by enterprises without ownership of the goods.

For imports of manufacturing services –

- Request companies to declare **processing fee** they paid to processing companies abroad (which may incur a cost for materials procured by the processors), plus data on the **costs and origins of materials supplied**.
- **Identify enterprises possibly involved in processing activities from Outward Processing procedure on exports declarations**



# Manufacturing Services (UNSD Wiki)

## C.3. Manufacturing services surveys

For exports of manufacturing services on goods owned by non-residents:

- Request at least the **processing fee, the country of the client, and the costs and origins of materials procured by the processing company.**
- Determine the destination of the processed goods. This could be done from linking the business register with trade statistics.
- Distinguish processing done for client company and processing done on own account



# Bridge Table IMTS – BOP Goods

Table F.1

- Manufacturing services
- Net export of Merchanting
- Imports CIF/FOB

Table F.1  
Reconciliation between IMTS and total goods on a balance of payment basis

	Imports	Exports
Merchandise trade statistics as provided in data source		
Adjustments, as relevant. For example (with paragraph reference)		
- Goods sent for or returned after processing without a change of ownership (F.4)		
+ Goods acquired from other economies for processing abroad (F.4)		
+ Goods sold abroad after processing in other economies (F.4)		
- Customized recordings on physical media (F.5)		
- Noncustomized recordings on physical media with periodic license fee (F.5)		
- Returned goods (F.6)		
- Migrants' effects (F.7)		
+ Goods entering or leaving the economic territory of a country illegally (F.8)		
+ Goods lost or destroyed after change of ownership but before entering the importing country (F.9)	N/A	
- Goods lost or destroyed before change of ownership (F.9)		N/A
- Goods imported for construction projects by nonresident enterprises (F.10)		
-/+ Goods transferred from or to a buffer stock organization (F.11)		
- Goods which cross borders as a result of transactions between related parties (F.12)		
+/- Non-monetary gold transactions between residents and non-residents without physical movement (F.13)		
+ Net exports of goods under merchanting (F.14)		
+/- Difference in time of recording i.e. for high value capital goods (F.15)		
- Different valuation for imports (CIF/FOB adjustment) (F.16)	N/A	
= Total goods on a balance of payment basis		

Note: N/A = not applicable.



# Questions?



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