Compilation challenges in implementation of IMTS 2010 - Mauritius

by

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Brief on Merchandise Trade Statistics Methodology

- Trade figures are compiled according to **General Trade System** as recommended by United Nations (UN)
- **Main Data Sources:**
  - Customs Department
  - The State Trading Corporation for government import of petroleum products, rice, flour and cement and for supply of jet fuel to aircraft.
  - The Mauritius Sugar Syndicate for provisional figures on exports of sugar.
  - The Mauritius Ports Authority and Air Mauritius for import and re-export of marine vessels and spare parts of aircraft.
- Commodity Classification - **HS 2017** and **SITC Rev 4.**
- **Publications:** Annual Digest of External Merchandise Trade Statistics, Quarterly Economic and Social Indicators, Monthly Trade Bulletins

New Challenges

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- Changes in the way international merchandise trade is conducted – Increase of intra-firm trade
- Use of Intellectual Property Rights – affect ownership.

What has been done? - For the Census of Economic Activities Survey (among large enterprises), SM has included questions pertaining to Inward and Outward Processing, purchase of intellectual property rights (franchises, designs, logos) as well as on Own Account Research and Development in the questionnaire designed for firms in the Manufacturing sector.

Challenge: Require technical assistance who will assist and educate the Trade and National Accounts statisticians on how to include these multi country processing methods in compilation of IMTS/NA and BoP. *(Refer to Eurostat Manual and Guide on 'Manual on goods sent abroad for processing', 2014 Edition*).

- E-commerce/Digital Trade (Not yet implemented)

Working in close collaboration with Customs Dept. and other agencies offering online purchase facilities.

Challenge: Assuming that in the long run, online purchase is a large part of a household expenditure, which price should be included in the computation of the Consumer Price Index (CPI)? Will it be in foreign prices or in National currency?

Areas of works and possible challenges

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1. Linking business register with the trade registers

- ***Challenge 1:*** Issues with definitions and coverage.

The definitions and coverage may not be in line with the statistical requirement (e.g. activity of enterprise are not coded as per NSIC in some administrative data set).

- ***Challenge 2:*** Economic Globalisation.

Due to global production arrangements, complex ownership structures have been developed – Statistical Business Register (SBR) find it difficult to collect and provide coherent and relevant information about the enterprise engaged in across border processing.

Areas of works and possible challenges *(cont'd)*

- ***Challenge 3:*** Lengthy Implementation process

Re-structuring the Customs Database through entry of a uniform national business identification number which will later be linked to the SBR register may take much time.

Local authorities are not coding the enterprise's activity as per NSIC.

- ***Challenge 4:*** Requires high level technological infrastructure

To allow linkages between the identification number used for declaration purposes and the SBR identification number, **an electronic and automatic link** should be established – Require advanced IT logistics and IT experts.

Areas of works and possible challenges *(cont'd)*

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2. Compilation of External Trade Indices

- ***Challenge 1*** : Heterogeneity and the inherent difficulties in pricing the items to a constant quality (precious stones, jewellery, recorded media and free publications, and all products classified within the Sections 1,3,7 and 9 of the Standard International Trade Classification (SITC))

- ***Challenge 2:*** Treatment of petroleum products and rice : average prices for the quarter are computed. Monthly data are available from STC .

- ***Challenge 3:*** Replacement and imputation of commodities which are imported in bulk (television, computers, fruits)

- ***Challenge 4:*** Replacement of enterprise in case of closures.

- ***Challenge 5 :*** The imputation of 'quality change' in commodities (cars, textile products) is subjective.

Areas of works and possible challenges *(cont'd)*

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3. Seasonal Adjustments

- Not yet implemented for merchandise trade statistics in Mauritius.

- ***Challenges:***
  a) Determination of a suitable seasonal adjustment method.
  b) Use of seasonal adjustment software – Requires extensive training of work force.
  c) Quality of seasonal adjustment – No estimable seasonal effect, unbiased and stable estimates, shorter revisions horizon.

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Thank you