#4 RECALL: IMTS 2010

IMTS 2010 Concepts and Definitions
IMTS 2010 Compilers Manual

Markie Muryawan
United Nations Statistics Division
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IMTS 2010

(123 pages)

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);
- IMTS 2010, Annex F provides detailed description of conceptual differences between IMTS 2010 and BPM6/2008SNA.

IMTS CORE CONCEPTS

- Scope & time of recording
- Trade system
- Commodity Classification
- Valuation
- Quantity
- Partner country

SCOPE

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)

Measure, What, Scope, When, Where

BUT WITH CLARIFICATION …

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

- Change of ownership for some goods (even <u>without</u> 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? Or a crane for construction?

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

Measure, What, Scope, 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 = TERRITORIAL COVERAGE

- General Trade System: statistical territories = all economic territories
  - Used by BOP compilers

- 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

Measure, What, Scope, When, Where

WHY CATEGORIZING COMMODITIES?

- 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

a Includes services.

ТОВАРНАЯ НОМЕНКЛАТУРА ВНЕШНЕЭКОНОМИЧЕСКОЙ ДЕЯТЕЛЬНОСТИ

Управление статистики внешнеэкономической деятельности и торговли

THE LATEST VERSION

- HS 2017 (in force in 2017) – WCO *[Ongoing work on HS 2020]*
- SITC Rev. 4 (based on HS 2007) – UN *[Ongoing work on SITC Rev. 5]*
- 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 correspondence tables among different classifications

RELATIONSHIPS AMONG CLASSIFICATIONS

	SITC 4 / 5			
	1To1	NTo1	1ToN	NToN
HS 2002	1867	3157	65	381
HS 2007	1996	3056	0	0
HS 2012	1923	3230	18	127
HS 2017	1779	3496	24	704
HS 2022 (5)	?	?	*0*	*0*

VALUATION

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

Measure, What, How, When, Where

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

Measure, What, Scope, When, Where

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)

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

Measure, What, Scope, When, Where to/from

PARTNER COUNTRY ATTRIBUTIONS

- 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

RECORDING OF TWO PARTNERS

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]

IMTS 2010 "NEW ITEMS"

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

IMTS 2010 SETS

Basic Trade dimensions	Basic Trade measures	Frequency
• Period • Flow	• Value • Net weight • Quantity	• Monthly • Annual

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

RELEVANT CHAPTERS

- 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

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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
- March 2011: Worldwide consultation on the Draft annotated outline
- February 2012: Submission of draft text to Statistical Commission
- Dec 2013: White cover (edited) IMTS 2010-CM released
- 2015-2016: Formatted of EN RU versions released: https://unstats.un.org/unsd/trade/default.asp
- Feb 2017: Wiki version released (intended to be a live document where compilers can share the latest country practices): https://unstats.un.org/wiki/display/I2CG/IMTS+2010+Compilation+Guide+Home
- Ongoing revision and addition

PART I. LEGAL FRAMEWORK AND DATA SOURCES

Chapter	Country Experience
• Legal framework • 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

Chapter	Country Experience
• Institutional arrangements • 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) • OECD-Eurostat Trade by Enterprise Characteristics (TEC) database

PART III. COMPILATION OF PARTICULAR DATA ITEMS

Chapter	Country Experience
• Time of recording • Commodity classification • Valuation • Quantity measurement • Partner country • Mode of transport • Customs procedure code	• European Union experience on time of recording in Intrastat • Stand-alone commodity descriptors: Canada • Experience of Italy in distinguishing customized and regular software • Quantity conversion factors used by UNSD to convert volume and number/units to weight • North American Transportation Statistics Online Database (NATS-OD) • Customs regime codes used in the IMTS: China

PART IV. COMPILATION OF DATA ON TRADE IN SELECTED CATEGORY OF GOODS

Chapter	Country Experience
• Scope of IMTS • Goods for processing • Goods which cross borders as a result of transactions between related parties • Electricity, gas, oil and water • Ships and aircraft • Other special cases and data compilation for national accounts and balance of payment purposes	• Thresholds applied in the European Union Intrastat system • Goods for processing: example from Iceland • Production of external trade statistics on natural gas and electricity: experience of Italy • Compilation of data on external trade in ships and aircraft: experience of Norway • Development of a reconciliation table (IMTS/BOP) in the European Union

PART V. METADATA AND DISSEMINATION

Chapter	Country Experience
• Metadata • Dissemination • Other international classifications relevant to trade statistics	• Towards the implementation of SDMX and DDI for IMTS: Experience of Mexico • Treatment of confidentiality in Germany • The central role of electronic databases for data dissemination: the case of Brazil • UNSD correlation and conversion tables available

PART VI. EXTERNAL TRADE INDICES AND SEASONALLY ADJUSTED DATA

Chapter	Country Experience
• External trade indices • Seasonally adjusted data	• External trade indices: practices of the Czech Republic • Seasonally adjusted data: Example of Norway

ADDITIONAL PART

Chapter	Country Experience
• Recording Gold/Silver Coins of Legal Tender • FAQ from IMTS e-learning course 2019	• Enterprise Survey: Imports Industry Destination Survey (Israel)

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	Standardized Automated data exchange

IMPLEMENTATION AND RESEARCH

Technical assistance

(i) Workshops and seminars, including partnerships in training

(ii) E-learning courses with WTO and UNCTAD

(iii) Countries mission

(iv) Application of SDMX-IMTS in countries

Research agenda (2019 update)

(i) Exploring Big Data (sources/methods) for IMTS

  (i) AIS and ADS-B sources

  (ii) Trade indices using Scanner Data Methods

  (iii) Multiparty computation

(ii) Addressing Bilateral Asymmetries and Trade Mis-invoicing

(iii) Participating in Globalization and Digitalization Workstream of UN Committee on Business and Trade Statistics

IMTS 2010 IMPLEMENTATION AT UNSD

Upgrade and enhancement of UN Comtrade (International Trade Statistics Database) - 2019

(i) Inclusion of new data variables recommended in IMTS 2010

(ii) Cloud IT infrastructure

(iii) Reference Metadata Survey

(iv) Modernization of data submission

(v) Feeding trade global datasets to UN Global Platform

THANK YOU

muryawan@un.org