



COMESA'S IMPLEMENTATION OF IMTS 2010 AND CHALLENGES

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OUTLINE OF THE PRESENTATION

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1.0 BACKGROUND

The provisions of Article 71 of the COMESA Treaty requiring the Member States to design and standardise their trade documents in accordance with internationally accepted standards, practices and guidelines;

The provisions of Article 139 of the COMESA Treaty requiring the Member States to collect and disseminate information, including the supply to the Secretariat of information relevant to the efficient operations of the Common Market;

The provisions of Article 140 of the COMESA Treaty requiring the Member States to cooperate in the field of statistics in order to create an enabling environment for the regular flow of up-to-date, reliable, harmonised and comparable statistical data on various sectors of economic activity in particular on foreign trade statistics;

The COMESA Council of Ministers in accordance with Article 10 (2) of the COMESA Treaty approved the Regulations known as "The Common Statistics Rules and Regulations for the production of foreign trade statistics in COMESA Member States", on April, 1997 in Lusaka, Zambia:

2.0 OVERVIEW OF COMPLIANCE

2.1 Trade system:

Preference for the application of general system, It is recommended that countries use the general trade system for compilation which is more comprehensive; **All countries use the general trade system of reporting in COMES except for one**

2.2 Harmonized System (HS):

Use HS for the collection, compilation and dissemination of international merchandise trade statistics; **All**

2.3 Standard International Trade Classification (SITC):

Use SITC for the dissemination and the analysis of trade statistics according to user requirements; **All**

2.4 Statistical value of exported and imported goods:

Use free on board (FOB-type) valuation for exports and cost, insurance and freight (CIF-type) valuation for imports and also record a statistical value for all goods covered in trade statistics, whether sold, exchanged or provided without payment; **All**

2.0 OVERVIEW OF COMPLIANCE CONT..D

2.5 FOB-value for imports:

Countries are encouraged to compile FOB-type value of imported goods as supplementary information; **Most countries have started compiling FOB for imports**

2.7 Compilation of data on freight and insurance:

Countries which compile only CIF-type values of imports are encouraged to compile separate data for freight and insurance, at the most detailed commodity and partner level possible; **Most countries do**

2.8 Quantity:

Use of net weight and the WCO quantity units; **Non**

2.9 Partner country:

country of goods origin (imports) and the last known destination (exports); **Most countries do**

2.10 Country of consignment:

For imports, record the country of consignment as the second partner country attribution alongside country of origin; for exports, the additional compilation of the country of consignment is encouraged; **We have a good number that have started**

2.0 OVERVIEW OF COMPLIANCE CONT..D

2.6 Mode of transport:

(New data field): Add as additional data dimension; **All most all countries have mode of transport**

2.7 Customs procedure codes:

(New data field): Customs procedures applied to individual transactions to be made part of the data set provided by customs; **All Countries have CPCs**

2.8 Exchange rate for conversion:

Where conversion of currency is necessary, use the rate of exchange that is duly published by the competent national authorities of the country, reflecting the current value of such currency in commercial transactions in terms of the currency of the reporting country, and which is in effect at the time of importation or exportation; **Most countries provide Official exchange rates to the US dollar**

2.9 Compilation and reporting of quantity information:

Collect or estimate, validate and report quantity information in WCO standard units of quantity and in net weight on all trade transactions; **None**

2.0 OVERVIEW OF COMPLIANCE CONT..D

2.10 Quantity conversion factors:

Provide conversion factors to the recommended standard units in the metadata if units of quantity other than the WCO standard units are used or if units of quantity different from the one recommended for the specific commodity; **None**

2.11 Use of different data sources:

Besides customs declarations, countries are encouraged to use sources for to ensure complete coverage. This is based on the fact that not all transactions are subject to customs surveillance and control. These are for most countries data for electricity trade, Informal Cross Border Trade (ICBT) surveys and data from other trade Associations who might have accurate data than the customs data; **Few countries have started**

2.12 Establishment of necessary institutional arrangements:

Countries are encouraged to form technical working groups of various Institutions that review trade data before dissemination and publication these TWG comprises in most cases National Statistical Office, Customs, National Central Banks and trade Associations; **Most countries have TWG**

2.13 Metadata compilation:

Countries are encourage to provide administrative *metadata* on their IMTS compilation to help users of trade data. **Few countries have started**

3.0 COMPILATION CHALLENGES

➤ **Collaboration between Customs and National Statistics Offices;**

In most countries there is a good working relation between Customs and Statistics. However, in some countries, an improvement in the current situation is needed.

➤ **Missing Quantity / Net weight in some of the declarations;**

Missing supplementary Quantity (Qty) for products with a Supplementary Unit (SU) and wrong Quantity of Motor vehicles data entry of number greater than 1 on the field of quantity for motor vehicle also some declaration have missing Net Weight / wrong weights.

➤ **Product misclassifications by some countries;**

There are situation where trade data has a mixtures of different HS Classifications and sometimes HS codes at International six digit level are country complete different from the World Customs Organisation Harmonised Commodity Description and Coding System.

➤ **Customs procedure codes misuse;**

Country's exports of products not manufactured locally, like motor vehicles, machinery, bull dozers and other products which are actually re-exports but classified as domestic exports.

3.0 COMPILATION CHALLENGES

- **Use of additional sources of information;**
Most of the goods covered by trade statistics cross borders as a result of commercial transactions (purchases/sales) and their statistical value can be established using their customs values or contracts of sale. However, customs values may not be available and contracts of sale may not be available as well or they may not contain all the necessary information.
- **Banknotes and securities not in circulation valued at face value;**
Most Banknotes and securities are valued at face value and not the printed paper value
- **Uncaptured exports/imports of electricity;**
Most countries Import / Export electricity but do not capture data in their trade system
- **Missing freight and or insurance and other costs for imports;**
Most customs declaration have missing freight, Insurance and other costs for imports