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TASK FORCE ON INTERNATIONAL MERCHANDISE TRADE STATISTICS
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History and Future of the Task Force on IMTS

Report by UNSD

1. This report will give a chronological overview of the decisions taken at different meetings (starting from 1988 - an overview of all reports is given in the Annex 1) which led to the establishment of the Task Force on International Merchandise Trade Statistics (TF-IMTS). At the same time it will try to answer if an official mandate was given to TF-IMTS, by which body and what the contents and scope of the mandate was. Finally, this note will propose to transform the Task Force into an Inter-Secretariat Working Group to secure continuity of this group over time and to update its terms of reference and rules of operation.

Concerns about the quality and timeliness of trade statistics

2. At its 22nd session in 1988, the Sub-Committee on Statistical Activities[1] discussed agenda item "processing and dissemination of trade statistics". A key point was the concerns expressed by members of the Sub-Committee to maintain the timeliness, quality and coverage of trade data [in COMTRADE] in view of the move of the Comtrade database and its data processing from Geneva to New York at a time where SITC, Revision 3, just started being used by countries as the classification of reporting of the trade data.

3. At its 23rd session in 1989, the Sub-committee again discussed the processing and dissemination of trade data. The UN Statistical Office[2] continued to assure the members that the move from Geneva to New York will eventually lead to better

[1] This Sub-Committee is nowadays known as the CCSA, the Coordinating Committee for Statistical Activities
[2] Now UNSD

quality and more timely trade data. The members continued to express serious reservations against the whole operation.

4. At its 24th session in 1990, the Sub-committee held again "an extensive discussion on the importance of timeliness and coverage of data in COMTRADE". Further, the subcommittee considered that the quality of data in Comtrade should be addressed as a matter of priority. A number of user organizations made specific suggestions for the analysis of quality, such as reviewing matching trade flows. Also, the subcommittee noted that trade statistics and estimates were maintained by several organizations for analytical purposes and that there were differences in those sets of figures. The subcommittee requested the Statistical Office to organize a working group on improving the quality and comparability of data and estimates. It would pool information on available data and estimates and report back to the subcommittee at its next session with proposals for minimizing the differences, while recognizing that some estimates, prepared for specific purposes by different organizations, may be different.

5. The first meeting of the Working Group on Improving International Trade Statistics was held from 14 to16 November 1990 in Geneva. The following organizations participated: UNCTAD, UNECE, FAO, World Bank, IMF, UNIDO, GATT, OECD, EUROSTAT and UNSD. The group had an extensive discussion about data currently compiled by international agencies. However, the most intense discussion focused on data in COMTRADE, the series of aggregated imports and exports and estimates. The group agreed that the quality of international trade statistics could and should be improved, where quality was determined at both the national and the international level. At the national level adoption of ASYCUDA and training in standard trade concepts and definitions was recommended. At the international level the group recommended to improve COMTRADE processing by improving validation and checking procedures and improving classification correlations. Information on the processing methods should be made available more widely to increase user understanding of the processing, and these procedures should be followed up and supported by appropriate systems development. The working group made a number of recommendations, among others it recommended that a user interface be developed to facilitate more user-friendly analysis of COMTRADE data and that this user-interface should be available to all users.

6. At this November 1990 meeting, the Working Group called for actions that should be taken in the short term and should be the subject of reporting to the Subcommittee on Statistical Activities on progress, namely

   (a) Reconciliation of major differences in the series of aggregate imports and exports compiled by the IMF and the United Nations Statistical Office and documentation of those differences;
   (b) Follow-up with countries which are slow in reporting detailed commodity trade statistics and the Eastern European countries;

(c) Upgrading of COMTRADE software to improve data integrity and particularly to make analysis more user-friendly;
(d) Preparation and improvement of estimates for recent years.

7. A last but not least element of the November 1990 meeting was that the concern by some organizations was deep rooted and not fully satisfied by this meeting. The report phrased this concern as follows: "While acknowledging the frankness and openness of the discussion, the representative of GATT indicated that the measures to be taken by the Working Group do not provide enough of an adequate and specific response to the issue of minimizing differences in trade statistics maintained by international organizations. These views were shared by the representative of the World Bank. The representative of UNSD indicated that whilst expectations of some participants may not have been met, the meeting had been extremely useful and in particular has identified ways to improve the quality and consistency of trade statistics [..]".

8. At its 25th session in 1991, the Subcommittee discussed the report of the Working Group and supported continuation of the group providing it with its main agenda points. The relevant paragraph of the report states this as follows "The Subcommittee expressed its satisfaction with the achievements of the Working Group on Improving International Trade Statistics [..] and agreed that the Working Group should meet again as soon as possible, but under circumstances consistent with adequate preparation and without interfering with progress on current activities, with the following agenda items:

(a) Follow-up of the main points from the first meeting of the Working Group.
(b) Estimates, with special attention to developing an agreed methodology.
(c) Technical cooperation for improving international trade statistics particularly with regard to such software for trade information and statistics as ASYCUDA, EUROTRACE, PC Trade.
(d) Compiling intra-community trade statistics in the single market of the European Economic Community (EEC)
(e) Base year for trade indices.

The point was made that further work should be done on development of price indices for international trade, as had been emphasized at several recent Subcommittee meetings."

9. At its 26th meeting in 1992, the Sub-Committee only very briefly discussed the issue of international trade statistics. The Sub-Committee welcomed the improved flow and quality of detailed trade data into the Comtrade database, plans for including data according to the Harmonized System (HS) and work on adjustments of reported data and improving estimates in collaboration with other involved organizations. It further noted (1) that a meeting on adjustments and estimates would be organized by the World Bank, GATT and UNSD, (2) that

IMF and UNSD progressed in reconciling aggregate trade data and (3) that GATT and UNSD studied the relationship between SITC and HS and consequences of further amendments to HS.

Strengthening International Statistical Coordination

10. Following discussions in the Statistical Commission at its twenty-sixth session in 1991, the Commission's Working Group on International Statistical Programmes and Coordination set up a small independent review group, requesting it to study the institutions and the coordination machinery involved in international statistics and to make proposals for strengthening them. The mandate of the review group was to describe the present situation and the goals and objectives, mechanisms, mandates and resource issues of those involved in the system, and determine what needs to be done; define the structural arrangements, the resources and a time scale for introducing the needed changes.

11. At the 15th session of the Working Group in 1992, the Review Group presented its report[3] titled "Strengthening International Statistical Cooperation". It considered in particular the roles of the Statistical Commission, Working Group on International Statistical Programmes and Coordination, the ACC Sub-Committee on Statistical Activities, the United Nations Statistics Division and the regional conferences of chief statisticians. Further, it introduced suggestions for a classification of statistical subjects which should facilitate coordination and it presented a checklist for action or further discussion.

12. At the next Statistical Commission meeting in 1993, the Working Group on International Statistical Programmes and Coordination presented a summary report[4] on "Strengthening International Statistical Cooperation" with sub-title "coordination and integration of international statistical programmes". The report was based on the report of the Review Group, a report[5] by UNSD on problems, challenges and proposals concerning strengthening international statistical cooperation and a report[6] by GATT on the state of international merchandise trade statistics on a customs basis. The report of the Working Group contained a large list of recommendations and decisions for approval by the Statistical Commission.

13. Of particular interest for the current paper was Decision 5, which stated that

> "The Working Group identified six subject-matter areas where a need for review was considered a priority. The Working Group noted that task force mechanisms already existed for two of the areas, established new task forces for the other four and, with the agreement of the agencies concerned, appointed conveners for each of the task forces as follows:

[3] E/CN.3/AC.1/1992/R.2, commonly known as the Begeer Report
[4] E/CN.3/1993/21, Report to the Statistical Commission 1993
[5] E/CN.3/AC.1/1992/R.3
[6] E/CN.3/AC.1/1992/R.4

1. National accounts (already existing; convener: ISWGNA);

2. Industrial and constructions statistics (convener: OECD);

3. International trade statistics (already existing; convener: GATT);

4. Finance statistics (convener: IMF);

5. Price statistics including the ICP (convener: Eurostat);

6. Environment statistics (convener: UNSD)."

Even though the mechanism of a working group already existed for international trade statistics, the name Task Force was only introduced in this 1993 report of the Working Group on International Statistical Programmes and Coordination.

14. This last mentioned report continues by defining in broad terms the mandate of the task forces. It requested the task forces to:

(a) Determine work being done in the specific area by the organizations involved on methods, collection, compilation, processing and dissemination and technical cooperation, although it was recognized that technical cooperation might not lend itself to treatment on subject-by-subject basis but might need to be reviewed in an integrated way;

(b) Assess problems, duplication, weaknesses, imbalances and priority gaps;

(c) Study how to carry out an evaluation of the quality of the statistics in the outputs and carry out such an evaluation as far as possible;

(d) Review the publications issued by each organization in the field of statistics and make recommendations, taking account of the needs of the range of users;

(e) Take agreed actions to improve the system-wide work in the area, including its coordination;

(f) Report to the Working Group at its next session on actions taken and/or present proposals and unresolved issues for action by the Working Group.

15. The task forces were expected to work in a flexible way, consulting with and involving the concerned international organizations and co-opting individual countries to provide country perspectives as necessary. They were also expected to find ways to incorporate the needs of users and to decide on the appropriate methods of work.

16. The Statistical Commission strongly endorsed the establishment of the six task forces by the Working Group and endorsed their terms of reference and the reporting arrangements that had been set up. The Commission urged all agencies to give the utmost priority and effort to the work of the task forces (paragraph 27 of E/CN.3/ 1993/27, the Statistical Commission Report of 1993).

Follow-up to the establishment of the task forces by the Statistical Commission

17. At its 27th session in September 1993 in Geneva the ACC Sub-Committee:

(a) Agreed that the task forces constituted an important initiative for improving substantive coordination and statistical development, and that some positive results were already apparent, although the task forces were at varying stages of development and progress in their work;

(b) Agreed that the task forces should not be seen as permanent bodies and that their continuation should depend on specific needs and outputs, and requested each task force to address that question in respect of its own objectives and progress towards achieving them;

(c) Agreed that the task forces should take a flexible and pragmatic approach to the involvement of national representatives in the work of the task forces, and recognized that such involvement might not be necessary for each task force. Such involvement could take the form of providing either specific expertise or else a means of information-sharing in support of the inter-agency decision-making process;

(d) Requested the task forces to establish clear priorities and timetables for their tasks, taking account of priorities set by the Sub-Committee and relevant intergovernmental bodies. The Sub-Committee recognized that individual agencies involved in more than one task force would also have to set priorities for their support of the work of those task forces; organizations would need to continue to assign the necessary resources to ensure the success of the task forces;

(e) Requested the task forces to ensure appropriate regional representation o otherwise take fully into account the regional dimension of statistical work and its coordination;

(f) Requested the task forces to share fully and widely with involved organizations relevant information about their work. Improved mechanisms needed to be explored for the efficient and rapid transmission of information, including modern telecommunications. In particular, experimental use of a bulletin-board approach was suggested.

18. In the report[7] of its 28th session in 1994, the Sub-Committee described the working relationship between the task forces and the Sub-Committee and the Working Group on International Statistical Programmes and Coordination. The Sub-Committee endorsed the Bureau's view that the Sub-Committee should continue to review the work of each of the task forces as major elements of the effort to improve coordination and should continue to report its view to the Working Group. The Sub-Committee should also be involved in establishing the terms of reference and work plans of the task forces. The Sub-Committee agreed that adequate reporting by the task forces to the ACC Sub-Committee on Statistical Activities, the Working Group and the Statistical Commission was important. However, some streamlining was called for to avoid excessive reporting. The Sub-Committee agreed that reporting to the Working Group could best be covered by the following: (a) the summary of conclusions of the Sub-Committee; (b) written reports by conveners of the task forces (only) where major new issues had arisen; (c) oral reporting by the conveners to provide full current information at the time of the Working Group session; and (d) the reports of the task forces on their meetings (as background documents). Reporting to the Statistical Commission could be covered by all of the above as well as by the report of the Working Group on its consideration of the task forces' activities.

19. At the 16th session of the Working Group on International Statistical Programmes and Coordination in 1993, the work of the inter-agency task forces was reported. The task force on international trade statistics reported on the accomplishments during its second meeting in June 1992 in Washington DC (under the title of Inter-Organizational Workshop on Trade Data Estimates and Adjustments) and its third meeting in February 2003 in New York. A fourth meeting was planned in June 2003 in Geneva. In this report the short term, medium term and long term plans of the task force were described. Given the importance of part II of that report, it has been reproduced in full in Annex 2.

Conclusion

20. The Task Force on IMTS started out in November 1990 as the Working Group on Improving International Trade Statistics with a second meeting as Inter-Organizational Workshop on Trade Data Estimates and Adjustments in 1992 before officially being established as a Task Force on International Trade Statistics by the Working Group on International Statistical Programmes and Coordination in June 1992 which was officially endorsed by the UN Statistical Commission at its 27th session in February 1993.

[7] ACC/1994/1

Proposal to transform the task force into an inter-secretariat working group

21. As was mentioned under point 17 (b) above, and noting that the work plan set by the task force on international trade statistics contained only items with a limited life span (see Annex 2), a case could be made that the work of the Task Force on IMTS is completed by now. Even though there has not been taken any official initiative to screen all working groups (inter-secretariat working groups, task forces and city groups) active under the general umbrella of the UN Statistical Commission, UNSD proposes to be pro-active and transform the Task Force on IMTS into an Inter-Secretariat Working Group on IMTS (WG-IMTS). The membership of WG-IMTS remains the same as the one of the current task force. WG-IMTS will review and update its terms of reference and rules of operation and submit these to the 2008 UN Statistical Commission meeting as part of its progress report.

22. An inter-secretariat working group has a permanent coordinating function in a specific field of statistics, which currently is also one of the important functions of this group. UNSD proposes that the secretariat of WG-IMTS remains with WTO but that there will be a rotating chair at its annual meeting. For ease of organization UNSD proposes that the agency which will host the meeting, will take the position of chair for that meeting.

Establishment of UN Expert Group on IMTS

23. UNSD has decided to establish an Expert Group on IMTS (EG-IMTS) consisting of representatives of national agencies responsible for IMTS and of representatives of interested international organizations. The terms of reference of EG-IMTS are being written and will focus on drafting of the Third revision of IMTS, Concepts and Definitions, and on strategy for its implementation after approval by the UN Statistical Commission. The first meeting of EG-IMTS is planned for 3 to 6 December 2007 in New York. UNSD will submit to the 2008 UN Statistical Commission meeting a report on the establishment of EG-IMTS and its terms of reference.

Annex 1
Overview of relevant reports

ACC/1988/PG/11 (Report of 21 October 1988)
Report of the Sub-Committee on Statistical Activities on its twenty-second session, Geneva, 6-10 June 1988

ACC/1989/PG/6 (Report of 21 July 1989)
Report of the Sub-Committee on Statistical Activities on its twenty-third session, Geneva, 19-23 June 1989

ACC/1990/PG/6 (Report of 24 September 1990)
Report of the Sub-Committee on Statistical Activities on its twenty-fourth session, Vienna, 18-22 June 1990

ACC/1991/7 (Report of 4 February 1991)
Report of the Working Group on Improving International Trade Statistics, Geneva, 14-16 November 1990, (Presented at the Sub-Committee on Statistical Activities on its twenty-fifth session, Vienna, 10-14 June 1991)

ACC/1991/PG/10 (Report of 17 October 1991)
Report of the Sub-Committee on Statistical Activities on its twenty-fifth session, Vienna, 10-14 June 1991

ACC/1992/16 (Report of 23 June 1992)
Report of the Sub-Committee on Statistical Activities on its twenty-sixth session, Geneva, 6-10 April 1992

E/CN.3/AC.1/1992/R.2 (Report of 4 June 1992)
Report by the Review Group presented at the fifteenth session of the Working Group on International Statistical Programmes and Coordination 29 June – 1 July 1992

E/CN.3/AC.1/1992/R.3 (Report of 5 June 1992)
Report of the Secretary General presented at the fifteenth session of the Working Group on International Statistical Programmes and Coordination 29 June – 1 July 1992

E/CN.3/AC.1/1992/R.4 (Report of 8 June 1992)
Report by GATT presented at the fifteenth session of the Working Group on International Statistical Programmes and Coordination 29 June – 1 July 1992

E/CN.3/AC.1/1992/R.4/Add.1 (Report of 8 June 1992)
Report by UNSD (as a response to the Report of GATT) presented at the fifteenth session of the Working Group on International Statistical Programmes and Coordination 29 June – 1 July 1992

E/CN.3/1993/21 (Report of 5 January 1993)
Report of the Working Group on International Statistical Programmes and Coordination on its fifteenth session; Items 3 and 14 of the provisional agenda of the Statistical Commission, 27th session, 22 February – 3 March 1993

E/CN.3/1993/27
Statistical Commission Report on the 27th session (22 February – 3 March 1993)

ACC/1993/1 (Report of 26 January 1994)
Report of the Sub-Committee on Statistical Activities on its twenty-seventh session, Geneva, 6-8 September 1993

ACC/1994/1 (Report of 5 September 1994)
Report of the Sub-Committee on Statistical Activities on its twenty-eighth session, Rome, 8-10 June 1994

Annex 2
E/CN.3/AC.1/1993/R.8 (12 July 1993)

Strengthening International Statistical Cooperation:
Work of the Inter-Agency Task Forces Established by the Working Group
Note by the Secretary General

(Part II. Report of the Task Force on International Trade Statistics)

II. REPORT OF THE TASK FORCE ON INTERNATIONAL TRADE STATISTICS

Convenor: General Agreement on Tariffs and Trade

1. The second meeting of the Task Force on International Trade Statistics, under the title of the Inter-Organizational Workshop on Trade Data Estimates and Adjustments, took place from 1 to 5 June 1992 in Washington, D.C. Participants included UNSD, the Macroeconomic Analysis and Social Policy Division of the of the Department of Economic and Social Information and Policy Analysis, UNCTAD, the Economic Commission for Africa (ECA), the Economic Commission for Europe (ECE), the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Food and Agriculture Organization of the United Nations (FAO), the World Bank, IMF, the General Agreement on Tariffs and Trade (GATT), the Inter-American Development Bank (IDB), the Customs Cooperation Council (CCC), OECD and Eurostat.

2. The workshop focused on three practical ways in which inter-organizational cooperation could improve the quality and availability of international trade, namely:

   (a) Improving the flow of data from national authorities to the Commodity Trade Statistics Database (COMTRADE) at UNSD (termed “reported” data);
   (b) Adjusting reported data which did not comply with international guidelines to assure inter-country comparability;
   (c) Improving the estimation process used to create data files for those countries and periods in which no reported data were available.

3. In addition to the reported data received and maintained by UNSD in COMTRADE at the most detailed level, it was decided at that meeting to create and maintain two additional databases consisting of:

(a) Reported data with adjustments and estimates, disaggregated at least to the 3-digit level of the Standard International Trade Classification, Revision 2 (SITC, Revision 2) by partner, to be managed by UNSD and lodged at the New York Computing Service (NYCS) and at the International Computing Center (ICC) in Geneva;

(b) A unified database in which imports and exports are forced to match at the country level by commodity for negotiations purposed, to be managed by GATT and lodged at ICC.

4. On the question of adjustments, a first step was the development and mailing of a United Nations questionnaire on national practices in external trade. A technical report to be prepared by UNSD on replies received would be made available in 1993. A follow-up to the questionnaire was planned to explore countries' problems in conforming more closely to United Nations guidelines and where possible to obtain data to perform the necessary adjustments.

5. The priority areas in which adjustments were believed to be necessary (prior to the mailing of the United Nations questionnaire) were allocated among international organizations as follows:

(a) Flags of convenience – UNCTAD;
(b) Food aid and barter trade – FAO;
(c) Military goods and special/general trade – GATT;
(d) Monetary gold – IMF;
(e) Bunkers and illegal trade – OECD;
(f) C.I.F./F.O.B. – World Bank;
(g) Electricity, gas and water – Eurostat.

6. Replies to the United Nations questionnaire received to date had confirmed those priority areas.

7. Each of the above-mentioned organizations had produced an initial document, some with preliminary figures for 1990, for their respective areas of responsibility. The nature of the documents varied according to the subject covered but generally dealt with coverage, sources of data and the rationale for making adjustments, as well as other matters.

8. On the question of the estimation process for non-reported data, two methods were proposed for testing. One was the estimation method currently used by UNSD and the other was a new approach to be developed by the World Bank. The World Bank method, which was based on solving a simultaneous equation system, was expected to be available in June 1993. Preliminary findings from both methods would be based on a set of three countries/periods selected by UNSD with input material being produced by international organizations for specific commodity groups for comparison purposes.

9. A third meeting of the Task Force took place on 23 February 1993 in New York to assess progress to date; to review both INTRASTAT, the new collection system of intra-community trade statistics, and a proposal to the Statistical Commission for revising international trade statistics concepts and definitions; and to discuss the future work programme. It was recommended and unanimously agreed that the membership of the Task Force should be extended to include representatives from the five regional commissions and CCC.

10. GATT offered to prepare a paper for the next meeting that would address the issues covered in the terms of reference of the Task Force, as established by the Working Group on International Statistical Programmes and Coordination. It was agreed that the issues addressed would fall into three basic categories: data, limitations and outputs. The paper would include specific examples of existing divergences among international organizations for country grouping and commodity groups. The next meeting of the Task Force was scheduled for 8 to 10 June 1993 in Geneva.

11. The Task Force agreed on the following integrated work plan.

A. Short term, 1992/93

(i) Organizations are to scan their libraries for old publications which include trade data not yet in COMTRADE and provide copies of them to UNSD.

(ii) All organizations should request personnel going on official missions to countries which have not supplied data for COMTRADE, as well as resident representatives in those countries, to solicit data submissions.

(iii) UNSD should develop and implement ways to improve the flow of COMTRADE data.

(iv) An ongoing exchange of tapes among international organizations (UNSD, UNCTAD, FAO, EUROSTAT, GATT, ECLAC, etc.) should be promoted to minimize duplication and reduce response burden.

(v) Workshops on improving the flow, timeliness and accuracy of national data submissions to COMTRADE should be funded through the United Nations Development Programme (UNDP).

(vi) The database should be developed to include reported data, adjustments to reported data and estimates.

(vii) UNSD should provide a technical report on replies to the United Nations questionnaire on national practices in external trade.

(viii) Replacement of UNSD data in the Monthly Bulletin of Statistics with IMF monthly data should be investigated.

(ix) Use of Eurostat data in COMTRADE instead of data received from individual Member States should be investigated.

(x) Adjustments on flags of convenience, aid and barter trade should be introduced into the database.

(xi) The new estimation model of the World Bank should be developed.

(xii) A small working group composed of ECE, UNCTAD and GATT, on the provision of estimates for countries which are part of the commonwealth of Independent States and the Central European Countries should be established.

(xiii) GATT should draft a note on existing divergences among international organizations on country groupings, and commodity groupings for discussion at the Task Force meeting to be held in June 1993.

(xiv) Further research should be conducted into the scanning of publications.

(xv) Follow-up should be initiated to the United Nations questionnaire on national practices in external trade. Individual international organizations should formulate their questions and forward them to UNSD for coordination and discussion at the June meeting.

(xvi) UNSD and the World Bank should share software and analytical techniques for estimation models.

(xvii) INTRASTAT should be reviewed.

B. Medium term, 1994

(i) Adjustments already identified should be further refined.

(ii) Other adjustments, if necessary, should be developed.

(iii) UNSD should review international trade publications produced by international organizations to evaluate the extent of their duplication and timeliness.

(iv) Individual international organizations should identify specific data cells to be exchanged among themselves for incorporation into their respective publications.

(v) UNCTAD should coordinate ongoing work on re-benchmarking of price and volume indices. At present, UNSD, the World Bank, IMF and the Macroeconomic Analysis and Social Policy Division of the United Nations are actively involved in this work.

C. Long term, 1997

(i) Revised international merchandise trade concepts and definitions should be tabled.

(ii) A study should be undertaken on pricing practices for goods traded among affiliated companies.

(iii) An in-depth analysis should be provided of the concept of inter-affiliate trade that could become an integral part of the coverage of international trade statistics in future.