UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS

STATISTICS DIVISION
TRADE STATISTICS BRANCH

TASK FORCE ON INTERNATIONAL MERCHANDISE TRADE STATISTICS
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item 4(b) of the provisional agenda

Third Revision of *International Merchandise Trade Statistics: Concepts and Definitions*

1. The Task Force at its 2006 meeting in Santiago agreed with the UNSD proposal that the current version of *International Merchandise Trade Statistics: Concepts and Definitions* (*IMTS, Rev.2)* should be revised, and that a proposal for revision will be put before the Statistical Commission in 2008. This note reiterates the reasons why a revision is necessary, lays out the plan of the revision process and provides an initial list of issues.

Why a new revision for IMTS?

2. The reasons why a new revision of the IMTS manual is necessary can be categorized as follows. IMTS needs to be revised because of

   a. changes in the way international merchandise trade is conducted, like increasing globalization of the production and distribution processes, expansion of intra-firm trade, transactions with bundled goods and services components;

   b. changes in legal environment such as adoption by the WCO Council of the Revised Kyoto Convention and new legal/administrative measures for increased security or further simplification of customs formalities;

   c. changes in related statistical frameworks, like the 1993 System of National Accounts and the Balance of Payments Manual;

   d. changes in user needs, including increased demand for more detailed and timely data for market access negotiations and trade policy purposes,

market research by business community and economic analysis (e.g., linking industry and trade data);

e. need for further clarification of some existing concepts and improve the overall readability.

Schedule for revision process of IMTS

3. The provisional schedule of the revision process includes the following:

(i)	April 2007	TFIMTS agrees on schedule of the revision process and begins identification of areas for revision and issues for the worldwide discussion;
(ii)	June 2007	Establishment of The United Nations Expert Group on International Merchandised Trade Statistics (EG-IMTS);
(iii)	October 2007	Submission of (i) TFIMTS report on its activities and (ii) UNSD report on scope, organization and schedule of the revision of IMTS to the UNSC;
(iv)	December 2007	The first meeting of EG-IMTS in New York on 3-6 December to (i) review areas where the revised or new recommendations are needed, (ii) establish a list of issues for the worldwide consultations, (iii) comment on an initial outline of the IMTS, Rev.3;
(v)	February 2008	Statistical Commission to approve the scope and schedule of the revision process. Drafting of the IMTS, Rev.3 begins;
(vi)	March-June 2008	The first round of the worldwide consultations;
(vii)	July 2008	The second EG-IMTS meeting to review and assess the results of the worldwide consultations and to formulate some provisional conclusions. The first meeting of the Inter-Secretariat Working Group on IMTS (WG-IMTS) back to back with the Expert Group meeting;
(viii)	Up to Feb 2009	Preparation of the provisional draft of IMTS, Rev.3;
(ix)	March 2009	The provisional draft of the IMTS, Revision 3 to be placed on EDG;

(x)	April 2009	WG-IMTS meeting to discuss/amend the provisional draft;
(xi)	May-June 2009	The second round of the worldwide consultations focusing on the text of the provisional draft;
(xii)	July 2009	The third EG-IMTS meeting in New York to endorse the provisional draft for submission to the UNSC;
(xiii)	November 2009	UNSD submits the final draft of IMTS, Rev.3 to UNSC.

Establishing an initial list of issues

4. Taking into account responses to National Compilation and Dissemination Practices Questionnaire, comments by participants of the IMTS regional workshops, request by SNA and BOP compilers for additional information, an initial list of issues for review may include (in no particular order):

   a. Clarification of IMTS coverage including movements of goods between enclaves and host country, transshipment/re-exports, goods/services boundary etc.;
   b. IMTS, Rev.3 and the revised SNA, BPM and MSITS;
   c. Use of non-Customs data sources and related data compilation methods;
   d. Linking Trade and Business Registers;
   e. Recording of selected categories of goods such as goods for inward and outward processing;
   f. Recoding of types of transactions
   g. Valuation issues – more details on components of CIF and FOB values (selected valuation issues such as is FOB valuation imports feasible for most of countries);
   h. Uses of HS, SITC, CPC and BEC;
   i. IMTS by activity classification (ISIC);
   j. Possibility of multiple partner country attributions in both exports and imports statistics including specific issues related to re-exports and re-imports;
   k. IMTS by mode of transport;
   l. Rules of origin – the WCO process and national practices;
   m. General guidance on seasonally adjusted data and index numbers.

5. TFIMTS is invited to comment and contribute to the list.