Improving trade statistics and better capturing globalization

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Need to improve trade statistics to better capture globalization:

**Evolution of world exports, value**

*World exports 1981-2009*

Source: UN Totaltrade. 2009: Estimation
Need to improve trade statistics to better capture globalization:

Growth rate of the volume of world export

Source: UN TotalTrade. 2009: Estimation

Seminar on International Trade Statistics
New York, 25 February 2010
Need to improve trade statistics to better capture globalization:

- Countries are affected differently – intensive discussion about export dependency
- Need to better understand the trade flows in a globalized world
Need to improve trade statistics to better capture globalization:

**Re-exports**

### Top 3 countries in terms of re-exports

<table>
<thead>
<tr>
<th>Year</th>
<th>China, Hong Kong SAR</th>
<th>Singapore</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1984</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1988</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1992</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1996</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2004</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>351.3</td>
<td>162.5</td>
<td>130.3</td>
</tr>
</tbody>
</table>

Source: UN TotalTrade
Need to improve trade statistics to better capture globalization: data asymmetries

Exports of SITC group 776: Thermionic, microcircuits, transistors, valves, cathodes, diodes, etc. - aggregated reported imports are US$ 80 Billion higher!!

Source: UN Comtrade.
Improving merchandise trade statistics

Newly adopted IMTS 2010: Ensuring conceptual continuity …is of major importance

(a) 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,

(b) preference for the application of general trade system,

(c) use of the Harmonized System (HS) for basic data collection,

(d) use the FOB-type statistical value for exports and CIF-type statistical value for imports,

(e) use of the net weight and the WCO quantity units,

(f) use for partner country attribution country of goods origin (imports) and the last known destination (exports).
IMTS 2010: 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 IMTS2010.

- IMTS2010 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: Responding to the needs of balance of payments and national accounts (continued)

- IMTS2010, Annex F provides a reconciliation table and a detailed description of conceptual differences between IMTS2010 and BPM6/2008SNA

<table>
<thead>
<tr>
<th>Table F.1. Reconciliation between IMTS and total goods on a balance of payment basis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Merchandise trade statistics as provided in data source</strong></td>
</tr>
<tr>
<td>Adjustments, as relevant:</td>
</tr>
<tr>
<td>For example (with paragraph reference)</td>
</tr>
<tr>
<td>- Goods sent for or returned after processing without a change of ownership (F.3)</td>
</tr>
<tr>
<td>+ Goods acquired from other economies for processing abroad (F.3)</td>
</tr>
<tr>
<td>+ Goods sold abroad after processing in other economies (F.3)</td>
</tr>
</tbody>
</table>

...  

= Total goods on a balance of payment basis
Improving merchandise trade statistics

IMTS 2010: Updated and new recommendations

- Chapter I: SCOPE of international merchandise trade statistics
  - Updated recommendations – concerning inclusions:
    - Clarification of the use of the criterion of change of ownership – to be used only if the general guideline is not applicable or not sufficient
    - Clarification of inclusion and exclusion of Media, whether or not recorded
    - Elaboration of definition and treatment of Goods for processing with or without change of ownership
    - Elaboration of definition of Goods which cross borders as a result of transactions between related parties
    - “Symmetrical recording” of Fish catch, minerals from the seabed and salvage and Bunkers, stores, ballast and dunnage
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IMTS 2010 Updated and new recommendations

- Chapter I: SCOPE of international merchandise trade statistics
  - Updated recommendations – concerning exclusions:
    - Elaboration of definition of *Goods simply being transported through a country* and *Goods temporarily admitted or dispatched*.

- Chapter I: SCOPE of international merchandise trade statistics
  - Updated recommendations – encouragement of separate recording of:
    - Goods for processing where no change of ownership took place;
    - Goods which cross borders as a result of transactions between related parties;
    - Waste and scrap having no commercial value.
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IMTS 2010: Updated and new recommendations

- Chapter IV: VALUATION – updated recommendations
  - Streamlined text
  - Encourages to compile or estimate imports on the FOB basis in addition to the standard CIF valuation;
  - Covers valuation of specific categories of goods, i.e.
    - Media, whether or not recorded
    - Electricity, gas, oil and water

- Chapter V: QUANTITY DATA – updated recommendations
  - To achieve greater uniformity in recording
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IMTS 2010: Updated and new recommendations

- Chapter VI: PARTNER COUNTRY – updated recommendations

Additional recording of:

- **country of consignment for imports** (as the second partner country) alongside with country of origin is recommended
- **country of consignment for exports** is encouraged, depending on national needs

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Country A: Country of Origin

Country B: Country of Consignment

Country C: Country of last known destination
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IMTS 2010: New recommendations

- **New Chapter VII: MODE OF TRANSPORT**

Recommenations:
- Compile and disseminate IMTS by mode of transport at the most detailed commodity level
- Indicate clearly the contents of the categories used

Encouragement:
- Use the main categories (1-digit) and, if countries wish to do so, the detailed (2- or 3-digit) categories of the classification on the right side:

1. Air
2. Water
   - 2.1 Sea
   - 2.2 Inland waterway
3. Land
   - 3.1 Railway
   - 3.2 Road
4. Not elsewhere classified
   - 4.1 Pipelines and cables\(^{117}\)
     - 4.1.1 Pipelines
     - 4.4.2 Cables
   - 4.2 Postal consignments, mail or courier shipments
   - 4.3 Self-propelled goods
   - 4.4 Other
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IMTS 2010: New recommendations

- New Chapter VIII Data compilation strategies - Recommendations on USE OF CUSTOMS and NON-CUSTOMS SOURCES:
  - Customs records is preferred data source
  - Cooperate closely with customs experts
  - Get access to customs procedure information
  - Use additional sources as necessary and cost-effective
  - Regarding the use of non-customs sources apply integrated approach to economic statistics (use of business registers and enterprise identification numbers)

Chapter contains a comparison of customs and non-customs sources
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IMTS 2010: New recommendations

- New Chapter VIII Data compilation strategies - Recommendations and guidance concerning INSTITUTIONAL ARRANGEMENTS:

  - **Recommends to** consider the establishment of the institutional arrangements necessary to ensure the compilation of high quality trade statistics as a matter of high priority and periodically review their effectiveness.

  - **Characteristics of effective institutional arrangements**

    (a) only one agency responsible for the dissemination of official trade statistics,

    (b) a clear definition of the rights and responsibilities of all agencies involved,

    (c) the establishment of formalized working arrangements complemented by the informal agreements between the involved agencies and institutions.
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IMTS 2010: New recommendations

- **New Chapter IX**  Data quality and metadata

- **DATA QUALITY** - Four parts:
  A. Enhancing quality of international merchandise trade statistics  
     (promotes comprehensive and systematic approach, quality reports)
  B. Measuring quality of international merchandise trade statistics  
     (data quality assessment frameworks)
  C. Quality measures and indicators
  D. Cross-country data comparability  (need for reconciliation studies)

- **METADATA** - New recommendations for comprehensive metadata compilation and dissemination.  
  (comprehensive list of metadata items is provided)
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IMTS 2010: Updated and new recommendations

- Chapter X: DISSEMINATION – new recommendations
  - Covering statistical confidentiality (recommends application of passive confidentiality)
  - Recommends publication of release and revision timetable
  - Recommends specific release schedule
  - Recommends development of revision policy
  - Recommendations regarding dissemination strategy
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IMTS 2010: Updated and new recommendations

- Chapter IX: SUPPLEMENTARY TOPICS
  - External trade indices – existing recommendation re-confirmed; best practices will be provided in IMTS Compilers Manual
  - Seasonally adjusted data – existing recommendation re-confirmed; more guidance will be provided in IMTS Compilers Manual
  - Linking trade and business statistics
    - Countries are encouraged to integrate their trade register with their business register and to take steps towards an integrated system of economics statistics for data compilation and analysis.
    - Further examples will be provided in the IMTS Compilers Manual
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...and better capturing globalization

IMTS 2010 contains

- Encouragement to for the separate identification of goods for processing and intra-firm trade
- Recommendation for identification of re-exports and re-imports
- Recommendation to capture information on applied customs procedures will provide important detail on the nature of trade
- Second value for imports (FOB) important for trade negotiations and statistics on trade in services/ balance of payments
- Second partner country important for reconciliation studies and clarification of trade flows
…and better capturing globalization

IMTS 2010 contains

6. Improvements of quantity recording important for transportation and environmental statistics

7. Recording of mode of transport important for transportation and environmental statistics

8. Linking business and trade statistics opens numerous analytical possibilities
Thank you very much for your attention