



UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION

Meeting on compilation issues of IMTS 2010
Mexico City, 6 – 9 December 2011

Item 9 and 17 - Modifications to overall structure and contents and further development of the Compilers Manual

(Note by UNSD)

A. Previous agreement on structure and contents

1. The structure and annotated outline of the IMTS Compilers Manual was agreed by the Expert Group on International Merchandise Trade Statistics (EG-IMTS) at its first virtual meeting on the update of the IMTS Compilers Manual in February 2011. During the worldwide consultation on the annotated draft outline in March – May 2011 numerous comments and suggestions were received, which however, did not in general put in question the existing structure and contents. Also, the second and third virtual meeting of the EG-IMTS made comments and suggestions regarding the relationship of certain chapter which were considered in the further drafting process and update of the chapters.
2. Given this multi-step process the overall structure of the IMTS Compilers Manual can be considered as sound. Therefore, it is the view of UNSD that the existing structure and contents should only be modified if it is considered as clearly preferable and at the same time practical. Further, each chapter should stand for itself which might result in some repetition of material. However extensive overlaps will be removed and references to related materials will be provided during the finalization of the manuscript. This meeting is expected to provide further guidance on this issue.
3. It is suggested that the introduction of each chapter discusses the relationship of this chapter with the other chapters in the Manual and clarifies to users why it is needed as a separate chapter.

B. Suggested consolidation of chapters and inclusion of one additional chapter on the compilation of customs procedure codes

4. The following changes to the current structure are suggested:
 - a) Part III Compilation of particular data items: Chapter 13 Classification: to move information on other trade classifications either a) to an additional chapter, given the amount of material available or b) to an annex;

- b) Part III Compilation of particular data items: to add a chapter on customs procedure codes because of the importance of this new data field (see Annex);
- c) Part IV Compilation of data in selected categories of goods: to combine and integrate Chapters 23 “Other special cases (Goods acquired by all categories of travellers, Media, whether or not recorded, waste, fishing products, leased goods, returned goods)” and Chapters 24 “Overview of data compilation for national accounts and balance of payment purposes” as the categories of goods to be covered in these chapters overlap;
- d) Annexes: that annexes will follow the respective chapter; some information will be moved into the website and out of the printed Manual.

C. Further development of the Compilers Manual (as proposed to the SC)

5. The Compilers Manual will be completed during 2012 and be submitted for final editing, translation and publication. It is expected that the description and guidance on certain issues of the Manual will be further improved over time after submission of the manuscript as new and additional information emerges. Therefore, UNSD plans to establish a website for the updated IMTS Compilers Manual and for the continued improvement of the information provided on its various topics. It is expected that more examples and best practices will be added.

6. Also, it is considered to establish a hotline to receive and answer questions on conceptual and compilation issues of IMTS and to use other possible tools such as e-learning. One important issue is to provide practical guidance on the calculation of external trade indices and UNSD will consult with countries on their specific needs, which are not already covered by existing manuals.

7. UNSD counts on the continued involvement and contributions of the EG-IMTS and the TF-IMTS in the further implementation programme for IMTS 2010. It is expected that the report of the Secretary-General to the 43th session of the Statistical Commission in February 2012 will update the terms of reference of the EG-IMTS to cover the new activities and that UNSD will periodically report back to the Commission on the work of the EG-IMTS.

Annex: Initial draft of a new chapter “Customs procedure code”**Chapter 17b Customs procedure code****A. Introduction**

17b.1. *Request for custom procedure codes as new data field.* Following the adoption of the revised recommendations contained in IMTS2010, UNSD and the Organisation for Economic Co-operation and Development (OECD) revised their data request to countries¹ to include the following four new data items (i) Second partner country or area, (ii) Second value for imports (FOB), (iii) Mode of transport and (iv) Custom procedure code (or applicable transaction code) – see table 1 for details.² The TF-IMTS as well as the EG-IMTS have been informed about these new data items.

Table 1:

New data fields for IMTS

New data fields following the adoption of IMTS 2010 (include if already available) ^a	
Second partner country or area	In national nomenclature; country of consignment for imports and country of consignment (destination) for exports
Second value for imports	In national currency or US dollars; FOB for imports
Mode of transport	The means of transport used when goods enter or leave the economic territory in the encouraged nomenclature provided in IMTS 2010, para. 7.2 or national nomenclature
Custom procedure code (or applicable transaction code)	Code of the customs procedure applied to individual transactions by customs; any applied procedure or transaction code if customs procedure codes are not available or if additional codes are used

B. IMTS2010 recommendation

17b.2. *Information about applied customs procedures* (IMTS2010, para. 2.19). **It is recommended** that information about the customs procedure applied to individual transactions (or the nature of transaction) be included in the dataset for trade statistics in order to facilitate the identification of re-exports and reimports but also of other types of trade, such as goods for processing, trade between related parties, goods on consignment etc. as far as possible. Further, **it is recommended** that, if the customs is not the agency compiling trade statistics, this information be regularly included in the dataset provided by customs to the agency responsible for the compilation of trade statistics of a country.

17b.3. *Information about customs procedures* (IMTS2010, para. 8.6). **It is recommended** that information about the customs procedures applied to individual transactions be part of the dataset provided by customs to the agency responsible for the compilation of international merchandise trade statistics.

¹ UNSD and OECD cooperate in the collection of annual merchandise trade data. OECD is requesting the data from its member countries and immediately forwards the received data to UNSD.

² The revised data request is available at the UNSD website at: <http://unstats.un.org/unsd/trade/IMTS/datacollection.htm>.

C. Importance of compilation and international reporting

17b.4. *Importance of the information on customs procedure codes.* Information on the custom procedures applied to individual transaction are of critical importance for the compilation of IMTS as those procedures indicate whether certain transaction should be included or excluded in trade statistics (IMTS2010, paras. 8.5 and 8.6). Moreover, the customs procedure applied to an individual transaction contains information about the purpose of the transaction. Often, the information on customs procedure code is not included in the dataset provided by customs to the trade statisticians. Maybe in the past this information was not seen as suitable and relevant for statistical purposes. However, due to globalization, the production processes are increasingly split over many countries and there is a strong need to obtain additional information about the nature of the trade transactions in order to analyze the impact and relationship of trade on employment, growth or the environment.

17b.5. *Limitations of information and compilation issues.* Most countries broadly follow the Kyoto Convention and apply certain standard procedures. However, countries developed their own, often extensive set of customs procedures that suit their customs needs and might apply multiple procedures to the same good transaction. Hence, the information on the application of customs procedures might not automatically result in any consistent and relevant statistical information. Also, the national information might be difficult to make international comparable. One practical consideration is that the differentiation of trade transactions by customs procedure code might significantly increase the dataset.

17b.6. *Minimum goals for the future.* The development of the information on customs procedures into relevant and international comparable information is expected to require several years. Minimum goals would be that all countries will be able to identify in the near future in their trade data re-exports and re-imports and goods for processing and will make this information available to all users. An intermediate step will be to obtain information and create an inventory on what customs procedures are applied by individual countries.

D. Customs procedures applied by countries

17b.7. *Revised Kyoto Convention.* The Revised Kyoto Convention identifies a set of customs procedures, and provide standards and recommended practices regarding those activities. The majority of countries are believed to apply the main customs procedures identified in the Revised Kyoto Convention. However, there is at this time little information what customs procedures are applied by individual countries [more information to be provided].

E. Examples

17b.8. *European Union practices.* In its regulations for Intra- and Extrastat the European Union requires member countries to include the statistical procedure code and a nature of transaction code in the dataset submitted to Eurostat [more details to follow, preferable on compilation, quality and usefulness of this information].

17b.9. *COMESA example*. COMESA achieved for the majority of its member countries a harmonization of customs procedures and that this information is automatically included in the dataset provided to statistics. Based on this dataset, countries are for example able to provide their data following the special and the general trade system [more details to follow, preferable on compilation, quality and usefulness of this information].