

**Task Force on International Merchandise Trade Statistics, Addis Ababa,
23-25 March 2004
Summary of the Meeting**

The meeting was hosted by the United Nations Economic Commission for Africa. Mr. Jean Kashala Thisen of the ECA's Economic and Social Policy Division welcomed the Task Force members. He pointed out that many of the African countries' trade statistics lag behind and that users often do have technical difficulties in accessing external sources such as Comtrade.

The list of participants is shown in Annex 1. Annex 2 lists available documents. Annex 3 summarises the actions decided and Annex 4 includes the Provisional Agenda for the next meeting.

1. Adoption of the provisional agenda

The provisional agenda was adopted without changes.

2. Minutes of the meeting held in Geneva, 6-8 May 2003

The minutes were accepted as circulated.

3. Review of decisions of other international meetings with regard to merchandise trade

3(a) Report of the 35th UN Statistical Commission

The 35th Statistical Commission agreed with the Task Force recommendation to prepare a forth revision of SITC for 2007 and with the UNSD proposal to postpone the Supplement to the Compiler's Manual for International Merchandise Trade Statistics. The Statistical Commission welcomed the work of the Inter-Secretariat Working Group on Price Statistics to produce an Export and Import Price Index Manual with the IMF as coordinating agency. The Statistical Commission took also note of the work of the inter-agency Task Force on Standards on Data and Metadata Exchange (SDMX).

3(b) Report of the Committee for Coordination of Statistical Activities (CCSA, Geneva, September 2003)

The Task Force was informed on a report by Tim Holt on the "Aggregation of National Data to Regional and Global Estimates", available from the EDG. It was reported that the Committee members still saw room for further improvements in shared data collection and management. However, these improvements should be well framed within quality assurance frameworks. The CCSA adopted the recommendation that agencies use 2000 as the base year as of 2005.

3(c) The Millennium Development Goal (MDG) Declaration

The FAO reported on its Food Balance sheets to calculate under-nourishment. The Task Force expressed the opinion that at its next meeting it should review more closely the input that international trade statistics can provide for monitoring the MDGs, for example, by linking trade with other social indicators.

4. Data collection and dissemination

A. Concepts and Definitions

4(a) Supplement to the Compilers' Manual for International Merchandise Trade Statistics

The hardcopy of the Compiler's Manual is now available. However, as UNSD had assigned a high priority to the 4th revision of SITC, the Supplement to this Manual will have to be postponed. Even so several regional workshops held until now have revealed a number of issues, more experience is required with the implementation of the Manual. The ongoing review of the Balance of Payments Manual 5th edition (BPM5) and the System of National Accounts (SNA93) may also require to include additional material in the Supplement.

An indicative list of items will be posted to the EDG, and the Task Force participants were asked to reflect on their possible commitments as to providing drafts for individual topics.

4(b) Statistical Territories of the World for Use in International Merchandise Trade Statistics

UNSD reported that it included questions on the statistical territory in its methodological questionnaire on national compilation and dissemination practices which will be sent to countries by end of 2004. The EU was invited to forward any relevant information on the EU enlargement to UNSD.

The EU enlargement will have an impact on the international agencies' different regional breakdowns and the question was raised as to how this enlargement can be used to achieve greater harmonization of country groupings between agencies. OECD and UNSD agreed to prepare a joint report on differences and WTO can add its views from a users perspective. While UN standards could be taken as a starting point, changes should be reduced to a minimum to avoid introducing breaks in series.

4(c) Data Quality Assessment

The IMF has developed frameworks for all its domains and is currently working to bring all of them into line (SNA, BOP, IMTS, Prices, Money/Banking statistics, Government Finance statistics). As these frameworks are applied to national statistics, compatibility with frameworks of other agencies was highlighted as being important. The question was raised as to data quality frameworks that can be applied to international organizations. The OECD reported on their positive

experiences implementing a framework that included reviews of their services by peers, producers and users.

B. Classifications

4(d) HS revision

As WCO was not represented at the meeting, a report on HS 07 amendments will be made available on the EDG. These amendments will be discussed and agreed upon in the June HS Council.

Following the approval of the Statistical Commission to develop a SITC, Rev.4 along with the HS07 revision, UNSD had prepared a draft outline on a possible working schedule. The Task Force agreed to it, highlighting that possible links between SITC, CPC and ISIC should well be taken into account from an early stage of the revision process and that the use for the Task Force's EDG should be investigated to facilitate the revision process.

4(e) Simplification of data elements in Customs procedures

The WCO has adopted the Customs Data Model, Version 1.1 Handbook in June 2003. A new version will be developed for June 2005. The Task Force agreed to cancel this item from its Agenda.

C. Methodology

4(f) Improving the estimation of aggregate exports and imports

The UNSD continued its investigations started last year with the case of Lebanon. Five more countries were analysed, however, no clear conclusion could be drawn from this exercise yet. First indications suggest that it might be appropriate to develop individual recommendations depending on a country's trading situation. Other issues raised were the question of the appropriate exchange rate for conversion or the revision of historical series. UNSD will submit a more detailed report at the next Task Force meeting.

4(g) Index numbers of international trade

The Task force took note of CCSA's recommendation to implement as of 2005 the year 2000 as base year.

A Technical Expert Group within the Inter-secretariat Working Group on Price Statistics was set up to develop a revised Manual on Export and Import Price Indices with the IMF as lead agency. The group will work through an electronic forum (web-address: <http://www.imf.org/external/np/sta/tegeipi/index.htm>). The IMF however reported that the revision of the System of National Accounts and the Balance of Payments would result in a drawback of resources dedicated to the development of this Manual, hence, the current deadlines would not be realistic. Conceptual drafts

will be provided on the web-site and checked out against existing data situations to identify best methodologies.

The Task Force recommended that the IMF also check the UNSD's publication on "National practices in Compilation of External Trade Index Numbers". While individual comments can be sent to the Manual's web-site, the Task Force will review the draft chapters in detail at its next meeting and prepare a Task Force position paper.

D. Databases on international trade

4(h) COMTRADE: status, technical issues and EDP strategies

The coverage in Comtrade, especially of African countries, has improved further over the last year. It was agreed that UNSD would try to intensify its partnerships with UN regional commissions such as ESCWA, ESCAP or ECLAC in respect of data collection and improving data quality.

The HS 2002 implementation had sometimes caused delays in the reporting of the major traders data on schedule. Timeliness was therefore considered as important and it was recommended to follow it closely.

On the EDP side, UNSD was congratulated for the user-friendliness of its Comtrade Internet site. The exponential increase of users of Comtrade Internet confirms this observation but also calls for enhancements to the system, for example, an improved presentation of statistical metadata – a small user guide to facilitate data transfer into the old systems was also considered useful.

4(i) Metadata management in merchandise trade statistics

The OECD reported about its initiative to develop MetaStore, which is designed to process metadata for its statistical products. Its principles are linked to OECD's data quality framework and the system will be applied to all OECD statistical domains. As FAO's database has also a metadata module, co-operation with OECD was considered useful and UNSD also indicated that it would follow OECD's example. Eurostat uses the IMF's SDDS formats to provide metadata together with a user guide. The OECD will present its new system at the next Task Force meeting.

5. Exchange of data and information amongst international organizations

5(a) Aggregate trade data

The IMF reported that it would now source all its EU countries from Eurostat including the newly acceded countries. Any differences found in the various data sets of Eurostat, UNSD, OECD or IMF, also for monthly or quarterly data, should be reported back to the Task Force's EDG for further analysis.

As UNSD is sourcing its MBS data from IMF (total exports and imports), and Comtrade from national authorities (trade by partner and product), it regularly

compares its annual totals. For smaller differences, Comtrade data are adjusted whereas larger differences are resolved in co-operation with IMF. The same approach has been introduced with the OECD. The Task Force recommended that all identified cases be made available on the EDG and that all organizations contribute to this data quality enhancing exercise by reporting data inconsistencies on the EDG.

5(b) The EU in international trade statistics

Eurostat reported a change in its Internet dissemination policy from a paid to a free access service. Some questions as to the level of detail and coordination with national authorities which in turn provide paid services will still have to be sorted out. Following this experience, the Task Force raised the question about basic principles of the various dissemination policies of agencies, which becomes even more important with the increased exchange of data between them. It was agreed that the international organizations post their dissemination policies (printed publications, electronic media and Internet) to the EDG and that a new item on the Provisional Agenda should be created to allow discussions on this topic.

5(c) Exchange of detailed trade data between OECD and UNSD

After having successfully implemented a shared data collection, both organizations have started to carry out joint processing procedures. Their alignment of procedures includes conversion, aggregation, standardization of codes, treatment of confidential trade flows, etc. The two organizations will sign off these procedures for each country and implementation is planned by the end of this year.

The benefit of such an approach in addition to the reduction of the national response burden, will be the reduction of differences published by different organizations and enhanced data quality through an increased data compliance with IMTS, Rev.2.

The Task Force welcomed the work of the two organizations as a model for good cooperation that can be spread to other organizations and subjects.

5(d) Internet site with aggregate exports and imports by country

The CDS was updated at the end of 2003 with data for OECD. However, some delays occurred for countries provided by OECD due to the HS 2002 implementation. The new CDS was circulated to all participants with some screen templates for its possible web dissemination.

The organizations agreed that the data reconciliation should be continued before making it available online. While the CDS is currently available from the EDG, a decentralised update of it could be investigated to avoid differences for country data published at the international organization's level and in the CDS. It was agreed to develop a short-term and medium-term perspective for the CDS dissemination. The short-term objective should focus on the reconciliation and solution of technical questions. During this time, the CDS will only be available to international organizations. The medium-term perspective should develop solutions

to make the CDS publicly available, with some built-in safeguards to inform users of data quality issues, for example of estimations included for individual countries.

5(e) EDG - International Trade Statistics

The new platform is now operational and was welcomed by the Task Force as being more reliable and offering more functionality, for example, multi-attachments are now possible. Some participants asked for a user guide that would describe the new features. OECD and UNSD will use the EDG for their data exchanges in the joint processing, and the Task Force also considered the question of using the EDG for discussions of the new SITC revision.

6. Cross-cutting issues

6(a) Reports of relevant Task Force and working groups (BOP revision, inter-agency Task Force on Trade in Services, etc.)

The OECD reported on the activities of the inter-agency Task Force on International Trade in Services. This group has now engaged in the preparation of Compilation Guidance and is monitoring progress of the implementation of the new Manual on Statistics of International Trade in Services through a methodological questionnaire sent out jointly by Eurostat and OECD.

The IMF introduced Chapter 9 "Goods and Services Account" of the Annotated Outline for the next revision of the Balance of Payments Manual. While the next SNA revision will only be a marginal adaptation, the Balance of Payments Manual will entail more substantial changes. The new Manual will be a self-sufficient Manual including all concepts and definitions. It should be published in 2008.

The revision covers key concepts and definitions, for example, the change of ownership principle moving to a change of economic ownership, the definition of residence with stricter application of the 1-year rule focusing on the production process, the coverage of new financial instruments developed over the last decade, etc. E-commerce will not be discussed as it is considered a mode of delivery.

The Task Force members are free to send their comments directly to the IMF. However, it was felt that it would also be important to produce a common position paper on issues such as reporting re-exports, breakdowns of trade in goods, goods for temporary use, processing or repair, or on the treatment of merchanting.

The Task Force discussed how best to approach preparing such a paper. Comments should be posted to the EDG and be summarised by WTO before 15 July if there is sufficient support by all TF members. To avoid that countries feel excluded, it was suggested to involve some selected, representative national experts.

Some general issues coming out of the discussions were that the new Manual should contribute to an enhanced transparency between foreign trade statistics and presentations in Balance of Payments through including an Annex detailing the differences between the two systems, the BPM should also be exposed to foreign

trade compilers and be as much in accordance with IMTS, Rev.2 as possible. It was agreed that e-commerce could be considered a mode of delivery and hence would not have to be taken into account. The Task force will discuss subsequent drafts during its next meetings.

6(b) Status of globalization projects

Eurostat reported on its survey of needs for intra-firm trade statistics. It concluded that there is no need for detailed statistics on intra-firm trade. A global size of this phenomenon will however be estimated through pilot surveys done within Structural Business Statistics. In this context, Eurostat mentioned that the draft FATS regulation could be of help. A major drawback, however, is that imports and exports are not amongst the major variables for collection of these statistics.

The provision of trade statistics according to the size of enterprises has received increasing attention and it was reported that many countries have started projects in this field.

6(c) Treatment of digitised products

The Task Force agreed to delete this agenda item as electronic transmission in the new BPM revision was considered a mode of delivery. Any changes to this approach could eventually be included in the forthcoming Supplement to the Compilers Guide.

6(d) Interaction between BOP, SNA and external trade

Eurostat had carried out a study on "Reconciliation of foreign trade and balance of payments statistics" and presented its results. Generally spoken, adjustments are often done at a global level which, for analytical purposes, is often problematic. It was felt that this situation should be improved and that these adjustments should become more transparent in the future.

Eurostat also presented a UK-produced paper on their discovery of a major VAT fraud which contributes to EU intra-trade asymmetries.

6 (e) OECD's Trade Indicators Project

The OECD's project is advancing with the creation of a first database in the second half of 2004. These trade indicators were considered important as they provide for the possibility to add analytically important information. Other organizations will also investigate adding indicators to their programmes, for example, the UNSD in their Trade Yearbook. The WTO presented its new country trade-related pages which it distributes internally and as of July 2004 online. In addition to general and trade structure information, it includes trade policy information combining information of various WTO divisional databases. The Task Force participants agreed to cooperate closely on their various programmes.

7. Technical assistance

UN/ESCWA presented its draft proposal for a statistical capacity building project on international trade statistics in the Arab region. While the Task Force can try to promote this document, it has no resources on its own. It recommended therefore that ESCWA contact possible trust funds such as the World Bank's new programme on funding of statistical capacity building or the Paris 21 initiative. For the latter, OECD offered to assist. However, it was recommended that the document need further refinement showing, for example, the need of statistics for good governance, policy-making and development of negotiation strategies. It was recommended that other regional commissions follow this example initiative for improving their respective trade statistics.

Other business

8(a) Time and place of next meeting

The Task Force thanked UN/ECA for hosting this meeting and the good organization. It agreed to follow an invitation of UN/ESCAP to reconvene in Bangkok from 15-17 March 2005.

Annex 1: List of participants

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Annex 2: List of available papers

- item 4: (a) International Merchandise Trade Statistics: Supplement to Compilers Manual (UNSD)
- (b) Statistical Territories of the World for Use in International Merchandise Trade (UNSD)
- (c) Data Quality Assessment Framework for International Merchandise Trade Statistics (IMF)
- (d) Fourth revision of the Standard International trade Classification (UNSD)
- (f) Improving the estimation of aggregate exports and imports (UNSD)

- (g) Aggregation of National Data to Regional and Global Estimates (Draft Tim Holt)
National Practices in Compilation of External Trade Index Numbers: A technical report (UNSD)
Developing a Revised Manual for the Export and Import Price Indices (IMF Electronic Discussion Group)
- (h) COMTRADE: Status, Usage and EDP strategies (UNSD)
- (i) Statistical metadata in merchandise trade (report by OECD)
- item 5: (a) Comparison of aggregate trade data Comtrade – MBS (UNSD)
(b) EU in international trade statistics (update by Eurostat)
(c) The UNSD-OECD co-operation in compilation of detailed trade data - joint report by UNSD and OECD
(d) Cover note from A. Maurer
Internet site with aggregate exports and imports
Total merchandise exports (domestic exports plus re-exports), 1995 – 2002
Total merchandise imports 1995 – 2002
List of contacts
Background information on the CDS
Leading exporters and importers in world merchandise trade 2001
- item 6: (a) Revision of the Balance of Payments Manual, Fifth Edition (Draft Annotated Outline)
Chapter 9, Goods and Services Account
Report of the Inter-Agency Task Force on Statistics of International Trade in Services to the UN Statistical Commission 2004 (OECD)
(b) Status of the globalisation projects (update by Eurostat)
Status of the globalisation projects (update by OECD)
(d) External Trade Statistics and BOP figures for Latin American Countries (ECLAC)
Interaction between BOP and external trade (update by Eurostat)
(e) WTO Trade Indicators
Merchandise Trade (customs-based statistics)
- item 7: Revised Project Document "Technical Assistance to the ESCWA region in the area of international merchandise trade statistics"

Annex 3: Summary of actions decided

Action	Who
item 3c: Relevant trade indicators in the context of the MDGs	All
item 4a: Post an indicative list of items for the Supplement	UNSD
item 4b: Joint report on country group differences	UNSD/OECD/WTO
item 4d: Post WCO report on HS amendments to EDG	WCO
item 4e: Delete item from 2004 Provisional Agenda	WTO
item 4f: Study on the use of different estimation methodologies	UNSD
item 4g: Comment on individual chapters of Manual on Foreign Trade Indices – post comments to EDG	All
item 4h: User guide for data transfer from Comtrade Internet to old systems	UNSD
item 4i: Presentation of MetaStore	OECD
item 5a: Report data discrepancies to EDG	All
item 5b: Post individual dissemination policies of the IOs to the EDG	All
item 5d: Send CDS data to WTO	UNSD, OECD, UNCTAD, Eurostat
item 5d: Check decentralised update possibility of CDS	WTO
item 5e: Send EDG user guide to TF participants	OECD
item 6a: Countries to post comment on BPM6 to EDG by 30 June	All
item 6a: Produce summary of comments and joint TF position by 15 July	WTO
item 6c: Delete agenda item from Provisional Agenda 2004	WTO

Annex 4:**TASK FORCE ON INTERNATIONAL MERCHANDISE TRADE STATISTICS***Bangkok, 15-17 March 2005***Provisional Agenda**

- 1. Adoption of the provisional agenda**
- 2. Minutes of the meeting held in Addis Ababa, 23-25 March 2004**
- 3. Review of decisions of other international meetings with regard to merchandise trade**
 - (a) Report of the 36th UN Statistical Commission
 - (b) Report of the Inter-agency Committee for Coordination of Statistical Activities (New York, September 2004)
 - (c) The Millennium Development Goal Declaration
 - (d) Report of the 5th OECD Trade Statisticians meeting
- 4. Data collection and dissemination**

Concepts and Definitions

- (a) Supplement to the Compilers' Manual for International Merchandise Trade Statistics (*update by UNSD*)
- (b) the Statistical Territories of the World for Use in International Merchandise Trade Statistics (*update by UNSD*)
- (c) Data Quality Assessment (*update by the IMF*)

Classifications

- (d) revision of the HS and SITC (*update by WCO and UNSD*)

Methodology

- (e) improving the estimation procedure for detailed export and import data (*update by UNSD*)
- (f) Index numbers of international trade (*update by IMF and UNSD*)

Databases on international trade

- (g) COMTRADE: status, technical issues and EDP strategies (*update by UNSD*)
- (h) Statistical metadata in merchandise trade (*report by OECD*)
- (i) Dissemination policies of international organizations (*exchange of information*)

5. Exchange of data and information amongst international organizations

- (a) aggregate trade data (*update by UNSD and IMF*)
- (b) the EU in international trade statistics (*report by EUROSTAT*)
- (c) arrangements between OECD and UNSD in data processing and data dissemination (*joint report*)
- (d) Internet site with aggregate exports and imports by country (*update by WTO*)

- (e) EDG - International Trade Statistics

6. Cross-cutting issues

- (a) Reports of relevant Task Forces and working groups (BOP revision, Inter-agency TF on Trade in Services, etc.)
- (b) status of globalisation projects (*update by EUROSTAT and OECD*)
- (c) interaction between BOP, SNA and external trade (*update by EUROSTAT*)
- (d) Trade Indicators (*update by OECD and WTO*)

7. Technical assistance (*updates by various international organizations*)

8. Other business

- (a) time and place of next meeting