TASK FORCE ON INTERNATIONAL MERCHANDISE TRADE STATISTICS

Rome, Italy, 16 April 2013

Summary of Discussion

The meeting was opened by Mr. Pietro Gennari, Director, Statistics Division, ESS, FAO. He welcomed the participants in the house of food and agriculture. In his introductory remarks, he pointed out that international merchandise trade statistics (IMTS) face new challenges: from compiling (what's in, what's out?) to appropriate interpretation of the statistics, to whether the statistics are useful in the current economic context, and whether they help to address the right questions? The role of international organizations in this is to bring about coherence, coordination, help implementing international standards, ensure quality and promote best practices. The new trade data information system needs to be able to face the challenges of the extremely dynamic information technology and the increased "real time" data requests at international, national and sub-national level.

The quality of the trade data is another important task and, in this regard, the discussions on the implementation of the new Trade Information System 2020 should also identify new techniques on trade data validation and reconciliation of the trading partners' declarations. The new perspective on trade in value added can change the way we currently deal with issues like trade imbalances, by reallocating bilateral trade deficits and surpluses across partner countries, re-defining trade and employment to better understand in which areas jobs are created, and for trade and environment to establish the impact of trade on greenhouse gas emissions.

1.   Adoption of the Provisional Agenda

The Provisional Agenda was adopted as is.

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

In discussing meetings at different international fora, organized by UNSD (Statistical Commission, Friends of Chair), the OECD (Working Party on Statistics on Goods and Services), and Eurostat, participants highlighted several issues: (i) It is important to involve the statistical domain experts early in developing new indicators used for policy purposes (e.g., post-2015). The UNSD was requested to share progress in the different processes within the Task Force. (ii) Trade data often lack consistent information on quantities. This is especially important when linking different domains, e.g. production, trade or input/output tables. Eurostat offered to join the WCO activities in relation to quantity. (iii) Eurostat updated the meeting on Intrastat developments. The new system, instead of focusing on a single-flow method, forces all EU members to make detailed micro-data on intra-EU exports available. Eurostat will then manage the hub to derive Intrastat-EU trade aggregates.

3.   Databases on international trade

(a) Latest developments and plans on the international organizations' respective databases (agencies are invited to prepare written briefs)

The organizations' efforts in developing further their databases (UNSD, WTO, OECD, FAO, UNCTAD, ITC) focused mostly on developing new indicators or adding more detailed trade by industry data. Linking trade with other economic statistics was considered important. Innovations in data visualizations and visualizations of historical changes in classifications were considered important as well, since that would allow displaying commodity information according to new economic realities. It was suggested to have classification revisions and time series as a separate item on the next agenda.

(b) Short-term merchandise trade statistics including data collection, metadata, sharing and dissemination

UN Monthly Comtrade includes some 70 countries with time series of detailed monthly merchandise trade statistics values by product and destination. It is currently a standalone database but will be integrated in UN Comtrade during the ongoing upgrade process. UNCTAD and WTO reported on their joint work on monthly aggregates in volume terms. Currently, WTO publishes on its website values as released by countries (daily update). It has developed a manufacturing price index that allows releasing quarterly estimates (seasonally and non-seasonally adjusted). Work between UNCTAD and WTO focuses on harmonizing the estimation methodology for non-reporting countries. The use of non-official (private) data sources was also touched upon. An adequate advocacy mechanism on the dissemination of the short-term merchandise trade statistics should be put in place in order to improve all users' access to those public goods.

(c) Identification of existing database issues in comparability, duplication and data sharing.

The inter-agency Common Data Set as a joint endeavor between international organizations has substantially harmonized the published trade data and raised their quality over the years. Costs involved in its maintenance now exceed its incremental benefits. WTO and UNCTAD have started a new project with the objective to fully harmonize their time series. This joint data production will ensure the continuation of the inter-agency CDS in a more timely fashion and with a better coverage. As a number of agencies use the CDS, for example, FAO, it was suggested to keep a reference to this project when producing the joint UNCTAD/WTO time series.

Further, WTO is sharing its data and related documentation with the World Bank, UN/ESCAP and UNCTAD. Finally, UNSD and FAO have just signed a new MoU which will ensure continuity in data exchange and will foster future cooperation.

4.   Concepts, definitions, implementation issues and national practices

(a)   Concepts and definitions

(i) Harmonized System, Valuation Agreement and Rules of Origin

The WCO updated the participants on its work in progress. It reported that it is unlikely that used goods and recyclable or hazardous waste be getting new sub-headings in the HS 2017, since these items need ample time for discussion in the Council, which is supposed to adopt the new HS in June 2014.

On the issue of supplementary quantity units, FAO/UNCTAD agreed to come forward with suggestions to assist WCO. Rules of origin and valuation (transfer pricing) were acknowledged to be of importance for global value chain (GVC) research. Another question raised was whether the WCO data model is helpful to SDMX in the merchandise trade statistics domain.

(ii)   Confidential data treatment

The case was raised in the context of converting data from one classification to another. Through such a conversion, confidential trade often ends up in the "unknown" item. OECD reiterated its willingness to contribute to the TFIMTS efforts to resolve this difficult issue. UNIDO highlighted that this is especially important when considering activity/industry classification concordances and FAO promised to prepare some case studies on food and agriculture products for further analysis.

(iii)   Trade Indices – volume and unit value indices

The UNSD reported on the preparation of a Handbook on External Trade Indices which will be based on a survey of current country practices. The OECD reported on its work to derive indicators at chapter level. ITC reported on its work to calculate unit value and volume indices at chapter level based on monthly trade statistics at tariff line level in co-operation with CEPII. UNCTAD and WTO have both been cooperating on developing a joint data set on trade volumes. While at present both organizations disseminate separately, the co-operation is aiming at producing and disseminating a joint data set. The FAO has implemented, long time ago, the methodology on the calculation of Foreign Trade Indices of food and agriculture products which are annually disseminated on FAOSTAT. Six different indices are calculated independently, for the value, volume and unit values of exports and of imports.

(b)   Implementation issues and national practices

> **(i)   IMTS 2010 (progress report on implementation process)**
> **(ii)   Technical assistance**

Agenda items b(i) and b(ii) were discussed together and UNSD stated that in its technical assistance activities it would from now on regularly highlight the importance of linking of trade and business statistics. A training workshop on implementation of IMTS 2010 for French-speaking African countries was successfully carried out in Morocco and another one is planned for the Asian region later this year.

(c)   Linking trade and business statistics

      (i)   Activities by individual organizations (UNSD, Eurostat, OECD)
      (ii)   Link to other related work (i.e. business registers) and
      (iii)   Future plans

Eurostat and OECD reported that the trade by enterprise characteristics (TEC) frame would be extended to include services (STEC). Some ten countries were reported to be on board. Within the EU, TEC is compulsory and the data set distinguishes enterprises by foreign and domestic control, with the latter being further identified as either independent or part of a group.

UNSD reported that a "Friends of the Chair" group on International Trade and Economic Globalization had been created by the UN Statistical Commission. One of the ways forward in measuring the internationalization of the production process could be linking trade statistics to the business register, to foreign direct investments, IPP transfers and other economic statistics. It would further be important to complete the picture with linking of these statistics to social, financial and environmental cross-border statistics. To do so, it would be important to have unique identifiers and it should be discussed with government and other users what standard tables and indicators should be produced in order to usefully inform the policy debate.

5.   SDMX -- format development (DSD and MSD) and implementation for IMTS

The minutes/terms of reference of the SDMX working group have been disseminated. The draft of the metadata data set structure is to be finished by end 2013. A major issue is the level of detail of the DSD, since more detail means less flexibility and countries may need more flexibility. The FAO expressed its intention to join. Some harmonization of coding is still to be done.

6.   Governance -- Priorities for the Task Force (round table)

      (a)   Complementarities and coordination issues
      (b)   Common initiatives, mobilization of resources

The UNSD reported that it is closely working with the UN regional commissions. A video conference is planned to be held every 2-3 months. As for the continuation of the task force, it was suggested to have a more focused agenda, i.e., a more thematic one. In

addition, one overall meeting (not separated into individual Task Forces) would allow a more flexible handling of the agenda.

7.   Other business

(a)   *Preparations for a Statistics Seminar at WCO Council meeting in June 2014*
Back-to-back to the WCO 2014 June Council, there is a full-day statistical seminar planned. The content should be worked out among TF members during the October meeting

(b)   *Time and place of next meeting*
As the OECD Working Party on Statistics on Trade in Goods and Services have been moved to March 2014, the dates of this gathering have been kept for advancing of the compilers guide for the Manual on Statistics of International Trade in Services. The TF IMTS will meet to discuss (what and who) the June 2014 Statistics meeting at WCO.

(c)   Any other business
None

Annex 1: List of Participants

Participant	Organization	E-mail address
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Annex 2: List of available documents

<u>List of available documents</u>

Item	Title	Source
	Opening remarks, P. Gennari	*FAO*
2	WPTGTS Oct 12 Summary report (ppt)	OECD
3(a)	ITC TradeMapLatestDev 3(a) (ppt)	
3(a)	Latest developments regarding OECD trade databases	OECD
3(a)	TF IMTS 2013 - UNSD - UN Comtrade upgrade	UN
3(a)	TF_3a_FAO Trade _ trade system (ppt)	FAO
3(a)	TF2013-FAOSTAT database-	FAOSTAT
3(a)	UNCTAD contribution to TF-IMTS 2013 meeting (April 2013)	UNCTAD
3(b)	TF IMTS 2013 - UNSD - UN Monthly Comtrade	UNSD
3(b)	TF IMTS Rome 2013 3(b) WTO	WTO
3(c)	TF IMTS Rome 2013 3(c) WTO	WTO
4(a)	TF IMTS 2013 - item 4a - Trade indices UNSD	UNSD
4(a)iii	TF IMTS Rome 2013 4(a) iii WTO	WTO
4(c)i	Linking trade and business statistics item_OECD (ppt)	OECD
5	TF IMTS 2013 - item 5 - UNSD - SDMX for IMTS	UNSD
	WCO Activities 2011 - 2012	WCO
	WCO Activities 2011 - 2012	WCO
Annex Item 3A - 1	UNCTAD Trade Complementarity - Statistics Spec & Analysis of result	
Annex Item 3A - 2	UNCTAD Trade Specialization and correlation- Statistics Spec & Analysis of result	
Annex Item 3A - 3	EffectiveExchangeRateMethodologyCountryLevel_v2.2	
Annex Item 3A - 4	EffectiveExchangeRateMethodologyCountryGroupings_v2.0	
Annex Item 3A - 5	UNCTAD Multi-Year meeting TD_B_CI_MEM_5_2	
Annex Item 3B	Proposed UNCTAD WTO Quarterly Volume Processing map	
Annex Item 3C	UNCTAD-WTO Total Trade Assessment as of 4 March 2013	
Annex Item 4Aiii	Overview of UNCTAD indices 31 January 2013	
Annex Item 6B	UNCTAD Trade Matrix - Overview & HS estimation methodologies	

Annex 3 -- Provisional Agenda

TASK FORCE ON INTERNATIONAL MERCHANDISE TRADE STATISTICS

Rome, 16-18 April 2013

<u>Provisional Agenda</u>

1.   Adoption of the Provisional Agenda

2.   Review of decisions of other international meetings with regard to merchandise trade
        (Statistical Commission, Inter-agency Committee for Coordination of Statistical Activities, OECD Working Party on International Trade in Goods and Trade in Services Statistics, Millennium Development Goals)

3.   Databases on international trade
        (a) Latest developments and plans on the international organizations' respective databases (agencies are invited to prepare written briefs) [1]
        (b) Short-term merchandise trade statistics including data collection, metadata, sharing and dissemination.
        (c) Identification of existing database issues in comparability, duplication and data sharing.

4.   Concepts, definitions, implementation issues and national practices
     (a)   Concepts and definitions
          (i)   Harmonized System, Valuation Agreement and Rules of Origin
          (ii)   Confidential data treatment
          (iii)   Trade Indices – volume and unit value indices
     (b)   Implementation issues and national practices
          (i)   IMTS 2010 (progress report on implementation process)
          (ii)   Technical assistance
     (c)   Linking trade and business statistics
          (i)   Activities by individual organizations (UNSD, Eurostat, OECD)
          (ii)   Link to other related work (i.e. business registers) and
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5.   SDMX -- format development (DSD and MSD) and implementation for IMTS

6.   Governance -- Priorities for the Task Force (round table)
     (a)   Complementarities and coordination issues

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[1] For information only. The Task Force should receive reports of relevant developments occurring in the international statistical systems and the organizations' databases, it is planned to focus the meeting's discussion on future plans and related issues.

        (b)   Common initiatives, mobilization of resources

7.   **Other business**
- (a)   Preparations for Statistics Seminar at WCO Council meeting in June 2014
- (b)   Time and place of next meeting
- (c)   Any other business