



Seminar on International Trade Statistics
Implementation of IMTS 2010 and follow-up to the Global Forum

External Merchandise Trade Statistics in Georgia **(IV. VALUATION)**

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GEOSTAT

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National Statistics Office of Georgia (GEOSTAT) is only responsible agency for compilation External Merchandise Trade Statistics of the country since 1995 after negotiation of contract with the customs authorities.

External Trade and Foreign Investments Statistics Division consists of 7 staff including head of division, one of them works on a contractual basis.

Data sources



- Database of Customs Declarations (**DBCD**) is the main information source on external trade transactions received from the Revenue Service. We receive databases in excel worksheet electronically on a monthly basis at the beginning of the next month.

Data sources (cont)



- Data on imports of **natural gas** is obtained from the Gas Transportation Company, after 14 days of the reference month;
- Data on exports and imports of **electricity** - from the State Electricity System, after 10 days of the reference month;
- Information on external trade by **motor vehicles** is provided additionally by the Service Agency of the Ministry of Internal Affairs.

Methodology



- GEOSTAT produces Foreign Trade Statistics according to the United Nations Statistics Department methodology “International Merchandise Trade Statistics” compilers manual (UN, New York 2004)
- General Trade System of data recording is used at present.

Commodity Classifications



- Combined “Commodity Nomenclature for External Economic Activities” based on the Harmonized Commodity Description and Coding System 2007 (**HS 2007**)

As a supplementary classifications:

- Standard International Trade Classification (SITC, Rev.3)
- Classification by Broad Economic Categories (BEC, Rev.3)

Country Classification



- As for the country classification UNSD classification is used. There are following criteria to determine the partner country: for imports the country of origin or the sending country, while for exports the country of final destination.

Prices



- Export is valued at **FOB** prices i.e. prices at the border of the exporting country (this term means that the seller's obligation to deliver is fulfilled when the goods have passed over the ship's rail at the named port of shipment);
- Import is valued at **CIF** prices, that is, transportation costs to the border of the importing country included in the prices as well as insurance costs.

Data processing



Based on obtained information, GEOSTAT carries out the following activities:

- Checks DBCD – commodity codes, prices, weights, dates of customs declarations, country codes, exporter and importer companies, non-existent codes of country and commodity;
- Controls the limits on prices major 20 commodities and adjusts quantities, value or supplementary unit;

Data processing (cont)



- - Removes from the database commodities which according to internationally approved methodology should not be classified as external trade in goods (securities, bank notes and coins in circulation; diplomatic, temporary and other analogous goods).

Currency



The value indicators are given in **USD**. The calculation of the statistical value in USD is carried out by the customs services during the registration of Customs Declarations according to the official exchange rate established by the Interbank Monetary Exchange at the moment of the declaration of goods.

Timeliness Periodicity Dissemination



- Monthly data;
- External trade data, according to the SDDS requirements (30 days after the end of the month) are disseminated after 24 days of the reference month and published on GEOSTAT's web-page with breakdown by imports and exports, countries, country groups and 4 digit level commodity codes in value (1000 US Dollars); http://www.geostat.ge/index.php?action=page&p_id=137&lang=eng
- We started to calculate aggregated data on exports and imports and since 2011 we disseminate express information after 15 days of the reference month;

IV. Valuation (country practice)



A. Statistical value of imports and exports

Current practice	Recommendation
Exports – FOB	
Imports – CIF	FOB

Selected issues of valuation



- a) **Banknotes and securities and coins not in circulation** – are regarded as goods and included in imports and exports but not by their nominal value;
- b) **Media, whether or not recorded** – valued at their full transaction value;
- c) **Electricity, natural gas and oil** – net value. We extract the data from customs database and use alternative sources;
- d) **Goods under financial lease** – price is always indicated in the declaration. Those goods are defined as an investments goods and always valued at market prices;

Selected issues of valuation (cont)



- e) **Goods for processing with or without change of ownership** – gross valuation;
- f) **Returned goods** – is valued as at the initial transaction;
- g) **Goods bundled with services** – as it is recommended value of any services associated with goods should be excluded, except for the services that are included according to the FOB and CIF valuation;
- h) **Transactions without valuation** – such as barter agreements, humanitarian goods. The Revenue Service uses the WTO agreements on customs valuation.

IV. Valuation (cont) (country practice)



B. Currency conversion

The unit of account – US Dollars.

Exchange rate for conversion - according to the official exchange rate established by the Interbank Monetary Exchange at the moment of the declaration of goods.

Thank you for your attention

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