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FOR LATIN AMERICA AND THE
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Workshop on International Trade Statistics
Implementation of IMTS 2010 and a new vision for trade statistics
1 – 5 October 2012, San Jose, Costa Rica

Final Report

Organization, purpose and participants

At its forty-first session (23 – 26 February 2010) the Statistical Commission adopted *International Merchandise Trade Statistics: Concepts and Definitions 2010* (IMTS 2010)¹ and endorsed the implementation programme as contained in the Secretary General’s report, including the preparation of the revised IMTS Compilers Manual and continued technical assistance activities. At its forty-third session (28 February – 2 March 2012) the Commission endorsed *International Merchandise Trade Statistics: Compilers Manual, Revision 1* (IMTS 2010-CM)² which contains further detailed explanations and practical guidance. The Global Forum on Trade Statistics in February 2011 jointly organized by the United Nations Statistics Division (UNSD) and the Statistical Office of the European Communities (Eurostat) in Geneva followed-up on the 2010 Statistical Commission’s decisions and made explicit demands to improve the relevance of international trade statistics by connecting and integrating it with other economic statistics through closer cooperation among the national institutes involved.³ While countries are starting to adjust their systems to comply with IMTS 2010, it is timely to give direction and emphasis of the larger direction for trade statistics.

In this context, the United Nations Statistics Division (UNSD) in cooperation with the Economic Commission for Latin America and the Caribbean (ECLAC) and the Instituto Nacional de Estadísticas y Censos (INEC) of Costa Rica organized this workshop for Latin American

¹ Available electronically for download at: <http://unstats.un.org/unsd/pubs/gesgrid.asp?mysearch=IMTS+2010>.

² Available electronically in its draft version at: <http://unstats.un.org/unsd/trade/EG-IMTS/EG-IMTS%20web%20announcement.htm>.

³ The vision statement for trade statistics of the Global Forum on Trade Statistics and the detailed background note “International Trade Information Systems in 2020” are available on the Forum website at: http://unstats.un.org/unsd/trade/s_geneva2011/outcome.htm. The background note was initially provided by UNSD, Eurostat and the World Trade Organizations and gained broad support during the Global Forum.

countries on the implementation of IMTS 2010 and a new vision for trade statistics. The workshop took place from 1 to 5 October 2012 in San Jose, Costa Rica and was hosted by INEC. The purpose of this event was to inform about and provide training for the implementation of the new and updated recommendations on merchandise trade statistics as contained in IMTS 2010. Special emphasis was given to the implementation and compilation of the additional data items introduced in IMTS 2010, the linking of trade and business statistics and data quality. The following sixteen countries of Latin and Central America participated in this workshop: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela). In addition, representatives of the Asociación Latinoamericana de Integración (ALADI), the Banco Interamericano de Desarrollo (BID-IADB) and the Centro Regional de Asistencia Técnica de Centroamérica, Panamá y República Dominicana (CAPTAC-DR) attended the meeting.

Summary

Opening session: Ms. Floribel Méndez Fonseca, Manger of the INEC of Costa Rica, opened the seminar by welcoming the participants and stressing the importance of this meeting in view of the need for accurate data on international trade to better address the issues raised by globalization. In this regard, Ms. Méndez Fonseca highlighted the work of an inter-institutional commission aimed at improving the quality of trade statistics produced in Costa Rica, as well as recent work by INEC with the objective of linking trade statistics with Costa Rica's statistical business register. Then, Mr. Matthias Reister, Chief of the International Trade Statistics Section of UNSD welcomed the participants on behalf of Paul Cheung, Director of the United Nations Statistics Division and pointed out the main goals of the workshop which were to explain the new and updated recommendations, to discuss their implementation in countries and for countries to share their experiences in the compilation of IMTS, also with view on identifying and discussing issues and best practices. Ms. Alejandra Ovalle welcomed the participants in the name of ECLAC. After the adoption of the agenda, participants introduced themselves and expressed their expectations for the meeting. UNSD introduced its activities in the field of trade statistics, followed by a presentation of ECLAC on its activities in the same this field. ALADI, BID-IADB and CAPTAC-DR provided statements regarding their activities. UNSD introduced the key IMTS 2010 recommendations and encouragements, addressed its implementation and gave a brief presentation of the IMTS Compilers Manual, which was followed by a discussion where countries raised questions on particular items.

Session 2: Scope and time of recording and Trade system (General guidelines; Specific guidelines: inclusions and exclusions, inter alia Goods for processing, Trade between related parties, Fish catch and bunkers / Clarification of territorial elements; General vs. Special trade system; Free zones, Recording of custom procedure codes; Re-imports and re-exports; Other concerns). The introduction by UNSD was followed by country presentations of Argentina and Paraguay.

Session 3, part 1: Commodity classification and quantity measurement (Review of recommendations; Correspondence tables / Recommendations regarding the recording of

quantity information; Uniformity of reported quantity information, Other concerns). The introduction by UNSD was followed by a country presentation of the Dominican Republic.

Session 3, part 2: Valuation (Statistical value of imports and exports; Recommendations; Valuation in certain categories of goods, i.e. electricity, gas and water; Compilation of Imports FOB in addition to Imports CIF; Currency conversion). The introduction by UNSD was followed by a country presentation of Colombia.

Session 4, part 1: Partner country (Country of origin and country of consignment for imports; Country of last know destination and country of consignment (destination) for exports; Reimports and re-exports (use of rules of origin); Other concerns). The introduction by UNSD was followed by a country presentation of Ecuador.

Session 4, part 2: New data fields: Mode of transport and Customs procedure code (Mode of transport - What to record; How to classify/ Customs procedure code: Importance; Country practices). The introduction by UNSD was followed by a country presentation of Panama and a group discussion on the topics covered in sessions 2, 3 and 4.

Session 5, part 1: Presentation via Web (WTO) - Globalization of industrial value chains and measurement of international trade in terms of value added. The presentation by WTO was followed by a discussion of the presentation.

Session 5, part 2: Data compilation strategies, institutional arrangements (Use of Customs and non customs data sources; institutional arrangements; Informal Cross Border Trade). The introduction by UNSD was followed by a country presentation of Mexico.

Sessions 5, part 3: Integrating Trade and Business Statistics – part 1 (Use of Enterprise ID, link to the business register, multi-nationals, enterprise surveys and other surveys; integration of data from different sources). The introduction by UNSD was followed by a country presentation of Brazil.

Sessions 6, part 3: Integrating Trade and Business Statistics – part 2 (Compilation of data for selected categories of goods such as inward (and outward) processing, via use of customs procedure (nature of transactions) codes and other means; intra-firm trade, trade by enterprise characteristics). The introduction by UNSD was followed by a country presentation of Costa Rica, as well as a group discussion on the topics covered in sessions 5 and 6.

Session 7: Data quality and metadata (Systematic approach to data quality; quality reports; quality measurement framework; quality measures and indicators; cross-country comparability; recommendations on metadata; list of metadata items). The introduction by UNSD was followed by a country presentation of El Salvador.

Session 8, part 1: Dissemination (Statistical confidentiality; data dissemination timetable, data revision; dissemination strategy). The introduction by UNSD was followed by country presentations of Venezuela and Guatemala, as well as a round-table discussion on the topics covered in session 7 and 8.

Session 8, part 2: Compilation and dissemination of regional trade statistics. The presentation by ALADI on its database was followed (on the next day) by presentations of ECLAC and BID-IADB on their databases and activities in IMTS.

Session 9, part 1: Supplementary topics (External trade indices; seasonally adjusted data; Relationship and differences to national accounts and balance of payments statistics - bridge table between IMTS 2010 and BPM6): CAPTAC-DR gave a presentation on the topic of goods for processing, UNSD gave an introductory presentation and Uruguay and Peru provided country presentations with their experiences.

Session 9, part 2: Overview of the UN Comtrade database and IMTS Analytical Outputs; UN Comtrade enhancement programme. The presentations by UNSD was followed by a live demonstration of the UN Comtrade database.

Closing session: Round Table Discussion: Identification of the important issues for the participating countries; Presentation and discussion of the preliminary findings and conclusions of the meeting; The meeting concluded with closing remarks by UNSD and INEC of Costa Rica. Participants received their certificates of participation.

Findings and conclusions

1. The meeting concluded that:

Scope and time of recording

2. *Goods for processing (to be included) vs. goods for repair and maintenance (to be excluded but to be recorded separately):* Goods for processing are goods that are sent abroad or brought into a country under ‘specific arrangements’ between the involved parties and for a ‘specific operation’ as defined by the statistical authorities of the compiling country (see *International Merchandise Trade Statistics: Concepts and Definitions 2010* (IMTS 2010), para. 1.19); however, goods for repair and maintenance (e.g., ships for repair) are to be excluded (see IMTS 2010, para. 1.57, for a brief definition; further see IMTS Compilers Manual, Revision 1 (IMTS 2010-CM) para. 20.8 and 20.9 for a list of operations considered processing and examples of service and repair operations);
3. *Goods for processing and change of ownership.* Trade statistics is based on the physical movement of goods across borders, independent of whether goods change ownership. Only in special cases where the general guideline is not applicable or not sufficient the criterion of change of ownership becomes relevant for the recording of trade transactions; the recording of goods transactions for Balance of Payments (BOP) and National Accounts purposes are based on change of ownership, and therefore do not record a merchandise trade transaction in goods for

processing when there is no change of ownership; from the BOP perspective these transactions constitute a processing service;⁴

4. *Goods simply being transported through a country.* IMTS 2010, para. 1.41, provides three criteria for identifying those goods and para. 1.42 contains some further explanation;

5. *Goods temporarily admitted:* Goods temporarily admitted or dispatched refer to a very specific category of goods, including among others the goods identified in the Kyoto and Istanbul Conventions as covered by the “temporary admission subject to re-exportation in the same state” customs procedure (e.g., display equipment for trade fairs and exhibitions, etc.); goods for processing do not fall in this category (see IMTS 2010, para. 1.43);

6. *Goods entering a country illegally and goods lost or destroyed:* Goods entering illegally are to be excluded but recorded separately for BOP purposes, whether or not these goods are identified and subsequently destroyed by customs or other national authority: this also applies to goods entering the country under a false declaration and which are later identified as illegal and destroyed (e.g., illegal imitation products), in which case, if economically significant, the false declaration should be removed from the recording of trade (although the identification of the false declaration might not be possible); on the other hand, goods which are lost or destroyed before entering the reporting country (which are to be excluded as well) are a different category of goods (IMTS 2010, paras. 1.59 and 1.52, and 1.60);

7. *Time of recording:* Goods should be recorded when entering or leaving the economic territory; in the case of a customs-based data collection, IMTS 2010 suggests to use the date of lodgement of the customs declaration as a good approximation of the moment when goods are entering or leaving the economic territory; however, it is the responsibility of the compiling country to find the best proxy for time of recording by taking into account national circumstances (IMTS 2010, para. 2.22 and 2.27); in this regard, at least one country indicated that the date of payment is used.

8. *Valuation and time of recording for goods on consignment.* The recommendation regarding time of recording for goods sent abroad on consignment (i.e., goods intended for sale but not yet sold when leaving the country, such as iron ore, copper or petroleum), is the same as for all other exports of goods; however, in the absence of reliable information on their valuation when leaving the country, compilers are advised to revise the data once the goods are sold, in order to reflect their actual transaction value, which in may be significantly different from the originally estimated value (IMTS 2010, para. 1.17);

9. *Goods for military use.* Goods for military use are to be included; however, if countries consider this information confidential it should be included in a way that preserves its confidentiality;

10. *Illegal fish catch by foreign vessels in the economic territory of a compiling county:* Illegal fish catch by foreign vessels in the economic territory of a compiling county might be considered as illegal trade and is outside the scope of IMTS;

11. *Storage of goods.* In some countries there are difficulties to distinguish between imports into commercial free zones for subsequent domestic consumption and those for subsequent re-

⁴ This is the treatment specified in the BPM6 and 2008 SNA, which however many countries have not yet, or not fully implemented.

export. The solution is either to move to the general trade system and to establish an appropriate recording of those goods (using non-customs sources as necessary), or to establish better controls for tracking the movement of goods between the free zone and the free circulation area;

12. *Categories of goods that are considered as difficult to include or exclude or to identify separately:* Many countries participating in the workshop consider that fuel and mining products, electricity, military goods, trade between related parties, consumption on board of planes and ships, migrant affects, and goods on consignment, are difficult to include or exclude or to identify separately;

Trade System;

13. *General trade system.* The inclusion of free zones within the statistical territory poses difficulties as detailed customs recording is often lacking for those zones; further, some countries that might have full information about the trade flows of free zones nevertheless choose not to include it in or combine it with their trade statistics for the free circulation area; moreover, in various countries there is a need to clarify the exact application of the general versus special trade systems, as well as the applied definition of “goods simply being transported”, among the different agencies involved in the compilation and analysis of IMTS at the national level.

14. *Identification of re-exports and re-imports:* The compilers of IMTS of various countries of the region indicated that they have access to detailed customs information that allows the identification of re-exports and re-imports based on customs procedure codes or regimes;

Classification and quantity measurement

15. *Revision of the HS.* The implementation of HS revisions requires significant efforts by the agency responsible for IMTS compilation: to translate the commodity descriptions (which are only available in English and French), update the more detailed national classifications; update conversion tables, and update publications;

16. *Self-contained descriptors of HS sub-headings.* Various participants indicated that providing “self-contained” descriptors for commodity codes from the HS classification is a challenging task, especially when they refer to residual categories of “other” goods.

17. *Use of ISIC:* In some countries there is an increasing user demand for trade data converted to ISIC (trade by activity) rather than to SITC; although conversion of original HS data to ISIC is in general problematic, results might be of sufficient quality depending on the national situation and the method of conversion; in all cases, a description of the methodology used for conversion should be provided along the converted data as part of its metadata; in general, it is considered preferable to compile IMTS based on economic activity by identifying the activity of the trading enterprises (e.g., linking of individual customs records with the business register);

18. *Commodity groups based on SITC used for reporting trade data to international organizations:* Various international organizations (i.e., WTO, UNCTAD, UNSD) regularly request trade data from countries aggregated in SITC-based commodity groups; these are aggregates for specific analytic purposes and are not uniformly defined across international organizations.

19. *Use of BEC:* Most countries underlined the need to classify traded goods by their degree of processing, and pointed out problems in the current structure of the classification of goods by Broad Economic Categories (BEC), as some goods can be classified as both capital goods and final goods; some countries supported the current efforts to update the BEC, although the difficulties to allocate certain commodities to multiple categories will likely remain; only one country reported some practical difficulties in using the above mentioned classifications, as its official classification is the North American Industrial Classification System.

20. *Quantity information:* Erroneous or missing quantity information is a major quality concerns that need to be addressed with improved verification procedures and estimation methods, respectively, which are not as well developed as in the case of information on value; one specific issue is the application of the WCO recommended units of quantities, which at times appear out of line with commercial practices (e.g., natural gas kilograms instead of cubic meters) or analytical needs (books in kilogram instead number of units); it was suggested to conduct a survey of countries to further examine this issue; UNSD is already in discussion with WCO on this topic and intends, as part of the upgrade of UN Comtrade, to give feedback to data providers on the quality of the quantity information received;

Valuation

21. *FOB valuation.* The importance of the valuation of imports in terms of FOB (in addition to CIF) for reconciliation studies was stressed; also the BOP and national accounts require imports on FOB basis, e.g., for the calculation of the goods balance; in this regard, country participants were invited to refer to the specific guidance provided by the revised Compilers Manual (IMTS 2010-CM) on how to transform data from CIF-type to FOB-type values.

22. *Additional data sources:* Some countries indicated that for certain goods, such as fuel, aircraft on financial lease, and goods acquired at ports, additional surveys are needed;

23. *Quality assurance:* All countries systematically review the valuation of goods; some countries reported difficulties in the valuation of the following goods: military goods, non-monetary gold and goods on consignment;

Partner country

24. *Country of origin:* The country of origin of a good is determined by the rules of origin established by each country; IMTS 2010 (para. 6.7) recommends that countries follow the relevant provisions in the Revised Kyoto Convention and most countries are assumed to broadly follow them with regard to both wholly produced and substantially transformed goods; however, there are divergent views on the application of those guidelines; when more than one country is involved in the production of a good, the substantial transformation criterion is to be applied (so the country of origin is the country in which the last substantial manufacturing or processing that is deemed sufficient to give the product its essential character has been carried out) (see IMTS 2010, Annex C and para. B.30); according to this criterion, the country origin of a car is the country where it was assembled;

25. *Country of last known destination and asymmetries in recording:* The country of last known destination is frequently equivalent to the country of consignment, either because the country of final destination is not known at the time of export or it is, due to confidentiality concerns, not provided by the exporter filling the export declaration; this leads to a lack of

knowledge about the actual trading partners and discrepancies in partner statistics; also, in some cases the indicated country of last known destination might only be a transit country which does not record a corresponding import or a country that the goods might only enter for storage purposes;⁵ therefore, there is general consensus that recording country of consignment as a second partner country can improve trade statistics reconciliation;

26. *Country of consignment and goods on consignment:* The country of consignment is a specific partner country attribution while goods on consignment refer to a specific category of goods (see IMTS 2010, para 1.17); these are different concepts and should not be confused;

27. *Standard partner country codes:* Workshop participants expressed their interest in receiving reference tables for the partner coding; while there are various alternatives (for instance, the use of the ISO-3166 International Standard for country codes), countries were encouraged to make their trade statistics available at the international level using the numeric codes from the Standard Country or Area Codes for Statistical Use, Revision 4 (often known as the M49 classification),⁶ which is the classification underlying the UN Comtrade system.

Mode of transport

28. *Availability of information.* Most countries at the workshop have information on mode of transport available at least for the main categories air, water and land; however in some cases this information is not yet disseminated; IMTS 2010 provides a classification of mode of transport but gives countries flexibility to use their own classification systems; however, most countries participating in the workshop considered it feasible to map their current MoT classifications to the classification provided in IMTS 2010 when reporting to international organizations.

29. *Multimodal transport:* Some countries find the reporting of mode of transport as the means of transport when entering or leaving the country insufficient; in such case additional modes of transport could be recorded, depending on the country's needs;

30. *Compilation of trade by Mode of Transport in the Mercosur area:* Countries in the Mercosur area are working towards the harmonization of mode of transport by road, particularly for the analysis of mirror statistics;

Customs procedure code

31. *Availability and use of customs procedure codes for IMTS compilation:* Customs procedure codes are not always yet included in the statistical dataset provided by Customs to IMTS compilers; however, customs procedure codes applied to individual transaction are used in at least one country for statistics compilation and validation purposes;

⁵ IMTS 2010 does not specifically mention goods for storage (except "Goods transferred from and to a buffer stock organization" (para 1.27) which are to be included), however, those goods should be included following the general guideline in para. 1.2. Goods for storage should be clearly differentiated from goods simply being transported through a country which enter and leave the compiling country solely for the purpose of being transported to another country and are not subjects to halts not inherent to transportation and which are to be excluded (para. 1.41). Some forms of short term storage might be considered as inherent to transportation. However, compilers have to decide whether goods are stored or transported as these are mutually exclusive concepts and should therefore be cautious when considering certain forms as storage as part of the transportation.

⁶ This classification is continuously updated and is available online from <http://unstats.un.org/unsd/methods/m49/m49.htm>.

Data compilation strategies, institutional arrangements

32. *Improvement of institutional arrangements:* Institutional arrangements in countries should be formalized; committees on trade statistics and working groups are important elements of effective institutional arrangements; data access such as the direct access of the compiling agency to the information available at customs is an important part of the institutional arrangements; many participating countries reported progress over recent years in formalizing the working arrangements between IMTS compilers and customs;

33. *Review of compilation practices/long term strategy (IMTS 2010, para. 8.1):* Many countries review their compilation practice with the view of improving the timeliness of the data; also the implementation of IMTS 2010 requires an examination of existing practices; it was stressed that such review is best be conducted by a committee or working group consisting of the institutions involved in compilation as well as major users of trade statistics;

34. *Institutional arrangements, data quality and quantity information:* Appropriate cooperation between the institutions involved in the compilation of trade statistics, and in particular between statistics and customs offices, is very important and required to ensure or improve data quality, e.g., in the case of quantity information or to correct errors in the source data;

35. *Joint databases:* the agencies involved in the compilation of trade statistics often maintain own trade databases suited to their specific requirements; however, workshop participants recognized that the relationship and links between these databases need to be carefully defined; an important issue is how or whether changes/corrections in one database trigger changes in the other databases, e.g., whether and how a correction in the database for statistics affects the data in the database of customs;

36. *Accompanying information:* almost all countries have access to the information accompanying the customs declaration as needed and upon request; however, this information is often not easily accessible as it needs to be queried/requested on a case-by-case basis.

37. *Use of additional data sources:* the use of additional data sources varies from country to country, depending on what information is available through the customs recording; additional data sources are frequently required for oil, fuels, and electricity, but also in some countries for important products of the country such as mineral products, coffee, or bananas; in general, there are no problems in integrating data from those additional sources with customs records, except for differences in reference period, valuation, or the level of detail;

Linking trade and business statistics

38. *Trade by value added and international value chains.* The analysis of trade by value added aims to provide information on the impact of trade on employment and income, among other. There are multiple ways to address the issue such as enterprise studies, linking trade and business statistics and input-output tables; however, there are currently no manuals or guidelines on how best to address this issue; countries pointed out various technical issues with the calculation of input-output tables (treatment of taxes, number of sectors); also the need to separate between export oriented and domestic consumption oriented companies was pointed out;

39. *Statistical infrastructure requirements:* Countries are interested in the issue of trade by value added and understand the importance of this issue and also agreed on the importance of (enterprise) micro data for analysis of this issue; however, there are also concerns about costs (which are not known) of adapting the statistical system and the flow of data/ data compilation; it was suggested to change the certificate of origin to allow the allocation of multiple origins to a single product, but the WTO explained that there are currently no discussions planned on this issue;

40. *Linking of trade and business statistics.* A number of countries have been linking trade and business statistics for many years already, while others have only started to do so; linking trade and business statistics is part of the new recommendations and countries have in general interest in this area of work; also some countries have statistical business registers and/or registers of traders in place; however, this issue is new for many countries and therefore the majority of countries present at this workshop has no specific plans at this time of linking its trade data with the business register;

41. *Intra-firm trade:* A number of countries could in principle identify intra-firm trade by using the information of traders' counterparts that is available from customs records (i.e., information of foreign importing companies for the case of exports, or foreign exporting companies for the case of imports); however, at the moment this is not done due to confidentiality issues.

42. *Business register and data matching:* The maintenance of a statistical business register, including the relationships between enterprises, enterprise groups and their affiliates, as well as its linking with the register of traders (if it exists), are important issues that need to be addressed in most countries; the linking of trade and business statistics requires the matching of trade records with data at the level of enterprises or establishments, unless those data are already linked via an integrated and well maintained identification number system;

43. *Maintenance of the business register:* Countries use multiple sources and tools for the maintenance of business registers such as tax records, social security records, records of business chambers, direct inquiries by telephone, etc.

44. *Information about trading enterprises and confidentiality:* Some countries have access to detailed administrative data of trading enterprises (e.g., Paraguay and Uruguay) but cannot provide it due to confidentiality rules;

Data quality and metadata

45. *Data quality assurance framework, principles and standards.* Only a few countries have adopted a formal data quality assurance framework; however, most countries implicitly follow certain principles and standards; most countries focus on quality assurance, some maintain user contact and others address quality issues in inter-agency committees and working groups as part of their regular work program on data quality;

46. *Quality reports:* Some countries subscribe to the IMF's Special Data Dissemination Standard and provide information about their data and dissemination practices on a regular basis; other countries document certain practices in methodological notes; however, beyond that countries do not produce data quality reports on their trade statistics, despite the fact that many of the data elements typically included in such reports are in general available already. A number

of countries agreed on the need to produce more systematic quality reports, e.g., to be able to explain better to users the appropriate way to interpret trade data.

47. *Quality measures and indicators, Guidelines for producing data quality reports:* IMTS 2010, table 9.1 provides examples of possible quality measures and indicators; further, IMTS 2010-CM, section B.1, provides steps and guidelines for producing data quality reports.

48. *Metadata:* IMTS 2010 para. 9.23 contains a list of recommended metadata categories to be provided to users; IMTS 2010 – Compilers Manual, para. 25.14 and 25.15 further explains those categories and differentiates them into structural and reference metadata;

49. *SDMX.* The importance and usefulness of SDMX standard for data transmission was pointed out; UNSD in cooperation with OECD and Eurostat plans to develop a global implementation of the SDMX standard for international merchandise trade statistics; INEGI of Mexico implemented SDMX already for its data transmission which provides good starting point for the development of the global SDMX implementation for IMTS;

Dissemination

50. *Confidentiality:* Most countries have confidentially laws that protect the confidentiality of the enterprise (or person) that has provided the data. This means that the data fields in the database that contain the name or identification of the enterprise should not be provided to users. This type of confidentiality is to be differentiated from the statistical confidentiality of individual records that could be indirectly associated with a specific enterprise, e.g., when it is known that only one enterprise exports or imports a specific good, trade statistics about that specific good might indirectly reveal information about the trade activities of that particular enterprise. If the principle of active confidentiality is applied, the compiling agency would have to systematically identify such records and make the information confidential in a way that users could not identify individual enterprises based on published trade statistics, which could be achieved by removing the commodity detail (e.g., replacing HS 313232 with code 310000); in the case the principle of passive confidentiality is applied, as recommended in IMTS 2010, para, 10.3, the affected enterprise would have to explicitly request that such records be made confidential and the request would have to be deemed justified;

51. *Application of statistical confidentiality.* When suppressing data due to confidentiality this information should be aggregated into groups of partner countries and/or commodities, but only up to the maximum level of detail that adequately protects confidentiality (e.g., replacing HS 313232 with code 310000)—see IMTS 2010, para. 10.3. The suppression of confidential data simply means to take the necessary measures to prevent the identity of individual traders and their traded values and quantities from being directly or indirectly inferred from the published dataset; however, suppression does not entail deleting specific confidential records from the d nor does it change the total values or quantities reported at higher levels of aggregation.

52. *Advance release calendar:* Countries in general plan their data release and revisions and hereby follow a release calendar; however not all countries make this release calendar publicly available to users as recommended in IMTS 2010, para. 10.5;

53. *Revisions:* Countries conduct routine and special revisions of their data (IMTS 2010, para. 10.11); some conduct ad-hoc revisions as required;

54. *Equal treatment of all users:* Countries treat users equally when disseminating data (IMTS 2010, para. 10.13); however, some countries provide preferential access to some government users as required and permitted by the applicable legal framework;

Supplementary topics

55. *Goods for processing where no change of ownership takes place:* Goods for processing are to be recorded in the merchandise trade statistics as exports when leaving and as import when entering the economic territory of the reporting country, irrespective of whether a those goods change or do not change ownership; further, those goods have to be reported at their full (gross) value (see IMTS, para. 1.19, 1.20). The new Balance of Payment Manual (BPM6) and the 2008 SNA consider such flows only as a goods transaction if there is a change in ownership – if there is no change of ownership it is considered a manufacturing service on inputs owned by others.

56. *IMTS vs. BOP figures for trade.* This difference in the recording of goods for processing is a major conceptual difference between the BPM6/2008 SNA (which is based on the principle of change of ownership) and merchandise trade statistics (which is based on the principle of physical movement of goods across borders); as a result, many countries will report significantly lower figures for both imports and exports of goods in their Balance of Payments than in their international merchandise trade statistics once the BPM6/2008 SNA is implemented in this respect. Users should be made aware of these differences, for instance by providing a table showing how the value of total goods on the balance of payments basis is derived from the merchandise trade statistics (see for details IMTS 2010, Annex F, Table F.1). However, many countries have not yet implemented the BMP6/SNA2008 in general or this aspect in particular.

57. *Identifying change of ownership in goods for processing.* IMTS 2010, para. 1.21 encourages countries to explicitly identify in their trade statistics goods for processing and goods resulting from such processing where no change of ownership takes place. However, it is recognized that such identification may not be all-inclusive and the obtained information may not be internationally comparable since (a) merchandise trade statistics compilers may not have adequate sources of data (especially when appropriate customs procedures are not in use) and (b) national definitions of such procedures may differ significantly. – In some countries a special custom procedure or transaction code may identify goods for processing without change of ownership (i.e. China and the European Union as processing under contract – see IMTS Compilers Manual, chapter 18);

58. *Trade indices and seasonal adjustments.* The compilation of trade indices is important for obtaining price changes and volume measures for trade which are also used for deflating trade flows for the calculation of GDP at constant prices; a central problem in the measurement of prices is the heterogeneity of products and product groups; several countries made available detailed descriptions of their methodology used for the calculation of their trade indices;

International databases

59. *Presentations by UNSD, ECLAC, ALADI and BID-IADB.* The respective databases are available at ©<http://comtrade.un.org/db/default.aspx>, © <http://websie.eclac.cl/badecel/index.html>, © <http://nt5000.aladi.org/siicomercioesp/> and © <http://www.iadb.org/dataintal/>;

Important issues for countries

60. The following aspects are of special importance to countries:
- a. Learning from each others experience and to implement the new recommendations together and in an harmonized way throughout the region;
 - b. Implementation of IMTS 2010 is not easy and requires significant efforts; the planned update of the merchandise trade databases in several countries will allow those countries to incorporate the required changes;
 - c. Appropriate institutional arrangements are a prerequisite for a successful compilation of IMTS and for achieving improvements;
 - d. Data quality and metadata are important aspects that need strengthening in most countries;
 - e. Linking trade and business statistics is a new topic most countries need to examine it in more depth;
 - f. Various methodological issues were raised such as issues related to coverage, goods for processing, move to the general trade system, calculation of trade indices and confidentiality;
 - g. A number of countries are currently working on the development of Unit Value Indices for imports and exports; the majority of them expressed the need for methodological guidance on this topic.
 - h. Use of SDMX is a priority in at least one country;
 - i. The IMTS Compilers Manual needs to be available in Spanish which is unfortunately only expected by end of 2013.