




Regional Forum on International Trade Statistics  
24 – 26 October 2011, Beijing, China

Agenda item 13 –  
Linking Customs data and Establishment surveys –  
the experience of the Philippines

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1




**OUTLINE OF PRESENTATION:**

1. Current Source Documents
  - a) Customs Data Source
  - b) Non-Customs Data Sources
2. Process Flow
3. Establishment Surveys Related to IMTS
  - 2001 – 2003 Survey on Imported Raw Materials
  - 2005 Survey on Freight and Insurance
  - 2007 Special Survey of Imported Commodities




2




## CURRENT SOURCE DOCUMENTS

*MOA between the BOC and NSO, 21 April 2003, stipulates that BOC shall provide NSO a copy in electronic form of data from customs documents*

- **Customs Data Sources On Import**
  - a) Import Entry and Internal Revenue Declaration (IERD) –
  - b) Informal Import Declaration and Entry (IIDE – BC Form 177) – document contains importation with dutiable value of two thousand pesos or less for personal and household effects whenever duty, tax or other charges are collectible
  - c) Customs PEZA Warehousing Entry (CEWE or BC Form 242) – Entry form used in the examination and assessment of importation intended for the Export Processing Zones
  - d) Single Administrative Document
  - e) Bill of Lading/Airway Bill Identifier – supporting document to the Import Entry being filed by the importer or his authorized agents




3




## CURRENT SOURCE DOCUMENTS

- **Customs Data Sources: On Import**
  - Import Declaration Attachments**
    - Certificate of Import
    - Company Invoice,
    - PEZA Application for Import Permit
    - Transshipment Form
  - Electronic Files in CD**
  - Electronic to Mobile (E2M)




4




## CURRENT SOURCE DOCUMENTS

- **Customs Data Sources: On Export**
  - a) DTI Form – Export Declarations (ED4) – Form used by all kinds of exporters in general, Board of Investments registered companies and PEZA-registered companies.
  - b) PEZA Export Tally (PEZA Form 8104)
  - c) Export Single Administrative Document
  - d) Certificate of Origin for GSP Form A  
 GSP Form A is issued by BOC to exporters whose products are eligible for preferential tariff treatment under the GSP scheme of the importing country, and is linked with corresponding export document filed by exporter through the Customs Control Number.




5




## CURRENT SOURCE DOCUMENTS

- **Customs Data Sources: On Export**
  - e) ASEAN Common Effective Preferential Tariff Scheme Certificate of Origin (ASEAN CEPT Form D) – used when the trading arrangement is between ASEAN member countries and the products are eligible for tariff treatment.
  - f) Form E – ASEAN-China Free Trade Preferential Tariff
  - g) Form AK – ASEAN – Korea Free Trade Area Preferential Tariff
  - h) Form JP – Agreement between Japan and Philippines for an Economic Partnership Tariff
  - i) Form AANZ – Agreement establishing the ASEAN-Australia-New Zealand Free Trade Area





6




## CURRENT SOURCE DOCUMENTS



- **Customs Data Sources: On Export**
  - **Export Declaration Attachments**
    - Company/Commercial/Sales/Pro-forma Invoice
    - Inspectors Permit
    - Special Permit to Load
  - **Electronic Files in CD**  
Automated Export Documentation System (AEDS)









## CURRENT SOURCE DOCUMENTS




- **B. Non-Customs Data Sources**
  - 1) **Inward Foreign Shipping Manifest**
    - Manifest contains listing of all cargoes to be unloaded, the name of consignee and Bill of Lading Number/s of formal and informal import entries filed by each consignee
  - 2) **Outward Foreign Shipping Manifest**
    - Document contains a listing of all commodities loaded in the vessel, name of exporters and corresponding Customs Control Number and license/permit number of export documents filed by each exporter.
  3. **Monthly Reports of Electronic Companies**
  4. **Monthly Reports of National Food Authority**
  5. **Monthly Reports of International Deliveries of Oil Companies**










## PROCESS FLOW

-  Collection
-  Receipt and Control
-  Sorting of Documents
  -  carried by airplanes
  -  carried by vessels
-  Matching Export and Import Documents with Foreign Shipping Manifests





## PROCESS FLOW

-  Coding/Computation/Verification
-  Editing/Data/Cleaning
-  Tabulation
-  Data Dissemination (Press Release)




16





## ESTABLISHMENT SURVEYS

1. 2001 – 2003 Survey on Imported Raw Materials
2. 2005 Survey on Freight and Insurance
3. 2007 Special Survey of Imported Commodities



11




## 2001 – 2003 Survey on Imported Raw Materials



**Objective:** find an explanation for discrepancy between high positive balance in electronics trade compared to small value-added shown in other indicators of the balance of payments

**Establishment Survey:**

- Conducted in 2002 with a sample of 15 electronic companies representing top imports of consigned raw materials for electronics
- Survey requested import and export data directly from these companies for 1996 up to August 2002
- Survey results used as basis to prepare methodology for revision of imports from 2000 to 2003
- 10 of the 15 companies reported




12





## 2001 – 2003 Survey on Imported Raw Materials

Survey Results:

- Companies reported higher import values than declared on customs documents to NSO; pricing was based on quotation by their suppliers which could either be the parent company or an independent supplier
- Some companies reported export value based only on assembly charges hence values less than NSO exports. Those which followed FOB valuation match NSO exports
- Unit price of imported raw materials not exactly equal to unit price of raw material inputs to exports due to difficulty of monitoring movements and matching of various inputs for a particular product
- As a matter of practice, company adopt a standard cost accounting of inputs to price the finished product. It was noted that standard cost used for pricing not significantly different from actual cost incurred.



13




## 2001 – 2003 Survey on Imported Raw Materials

Conclusions


Why did Customs data show higher exports and lower imports?

1. Inventory prices used by companies for import prices are higher than prices declared at Customs; and
2. Some companies only reported assembly charges for exports instead of market values of exported goods

*[this is the issue of 'manufacturing services on inputs owned by others']*



14




## 2005 Survey on Freight and Insurance

Objective:


- To estimate freight and insurance value for imported and exported commodities
- To update freight and insurance reference file

*Sampling Design:*

- Non-probability sampling
- Sampling frame - Traders in 2005 → N = 28,631
- Sample Size, n = 1,038
- Basis of Selection
  - Traders in 2005 with FOB value > US\$3.0 M
  - Accounts for more than 90% of the total trade transaction



15




## 2005 Survey on Freight and Insurance

Coverage:  
All kinds of establishments, 90% located in National Capital Region\* (NCR); only 10% outside NCR

Variables included:

- Commodities
- Import Value
- Export Value
- Insurance Value
- Freight Value
- Country of origin/destination

\* Metro Manila



16



## 2005 Survey on Freight and Insurance

### Estimation of insurance and freight rate (IF)

- Import

$$\text{IF rate} = \frac{\text{IF value}}{\text{CIF (FOB+INS+FRT) value}}$$

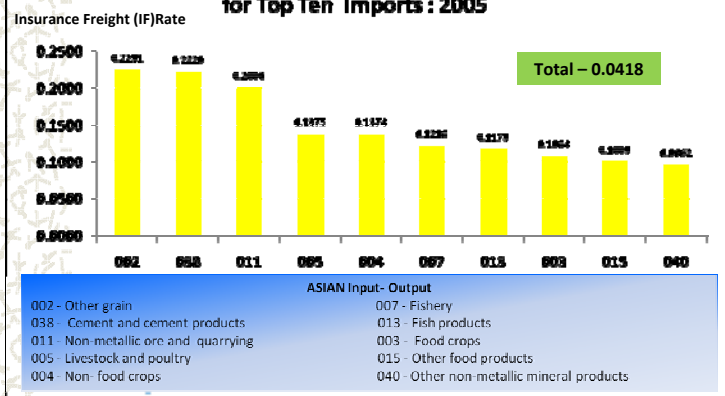
- Export

$$\text{IF rate} = \frac{\text{IF value}}{\text{FOB value}}$$



## 2005 Survey on Freight and Insurance

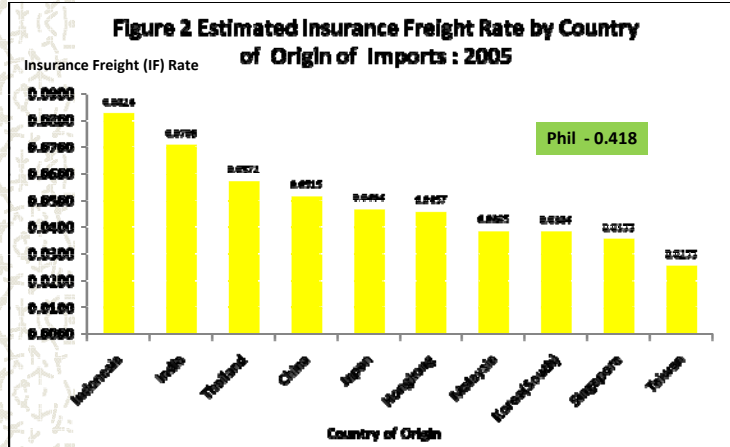
**Figure 1 Estimated Insurance Freight Rate for Top Ten Imports : 2005**



Sources : Philippine National Statistics Office  
2005 Survey on Freight and Insurance



## 2005 Survey on Freight and Insurance

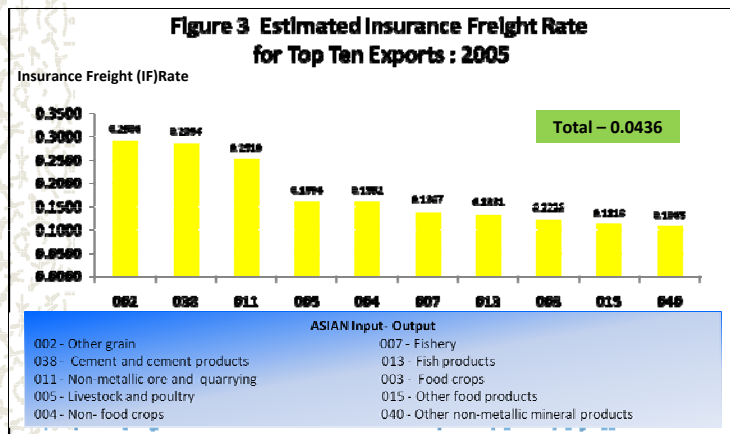


Sources : Philippine National Statistics Office  
2005 Survey on Freight and Insurance



19

## 2005 Survey on Freight and Insurance

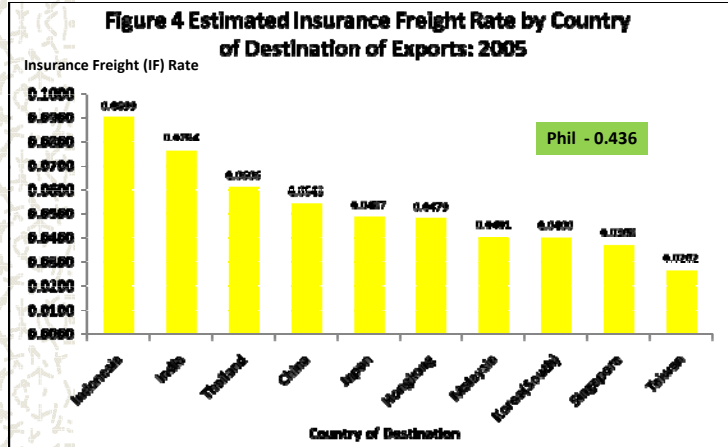


Sources : Philippine National Statistics Office  
2005 Survey on Freight and Insurance



20

## 2005 Survey on Freight and Insurance



Sources : Philippine National Statistics Office  
2005 Survey on Freight and Insurance



21



## 2007 Special Survey of Imported Commodities

### Objective:

- Establishment survey on use of imported goods (use as intermediate good, capital good or final consumption good)
  - Includes information on the mode of shipment and its corresponding insurance and freight costs
  - Survey undertaken by NSO in collaboration with Institute of Developing Economies of Japan
- for input to the compilation of the 2005 Asian Input-Output Table
- for construction of Philippine Import Absorption Matrix by country of origin and by commodity




22





## 2007 Special Survey of Imported Commodities

**Survey results were used to:**

- Provide a set of statistical information needed in construction of 2005 Asian International Input-Output Table
- Provide information on the imported input structure of industries
- Identify country sources of imported commodities used in production or for resale to other industries or direct consumers
- To determine the industry users of these imported commodities




23




## 2007 Special Survey of Imported Commodities

**Survey characteristics:**

- Frame used - List of importers whose total import transaction for 2007 amounted to 5\$ million US dollars and more
- This translates to about 793 importers or 3.6% of the 21,793 total importers in 2007.
- In terms of FOB value, these importers comprised 89% of the total FOB imports for 2007.
- The List of Importers from the Traders Reference File was matched with the List of Establishments to be able to capture the correct geographic code, the complete address and the industry code of the importer





24



## 2007 Special Survey of Imported Commodities

**Survey characteristics:**


- Sample size = 120 establishments to compile the import matrix for the 2005 Asian I-O Table
- Variables included:
  - ❖ description of the commodities being imported
  - ❖ country of origin
  - ❖ FOB value
  - ❖ insurance cost
  - ❖ mode of shipment
  - ❖ freight costs
  - ❖ duties and taxes
  - ❖ type of industry where it was sold or distributed
  - ❖ CIF value by type of industry



## 2007 Special Survey of Imported Commodities

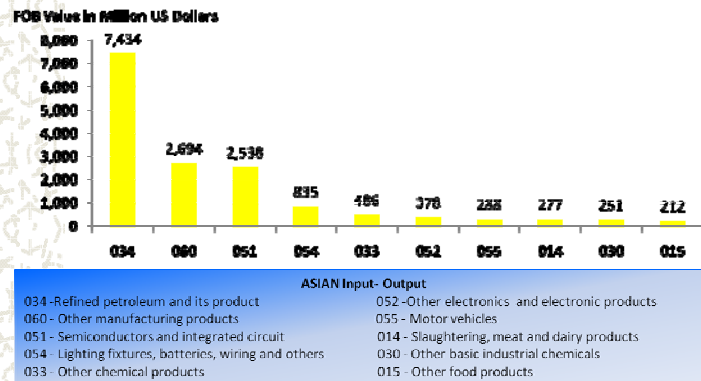
**Problems encountered:**

- Difficulty in locating sample establishments
- Non-response
- Fear of taxation and business secrets may be revealed
- Problem of finding the right contact person
- Memory recall and some records of transactions are not available



## 2007 Special Survey on Imported Commodities

**Figure 5 Top Ten Imports, Philippines: 2007**



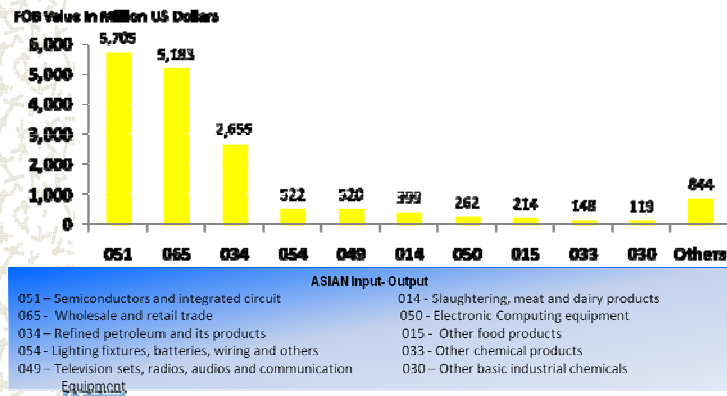
Sources : Philippine National Statistics Office  
2007 Special Survey of Imported Commodities



27

## 2007 Special Survey on Imported Commodities

**Figure 6 Top Ten Importing Industries, Philippines : 2007**

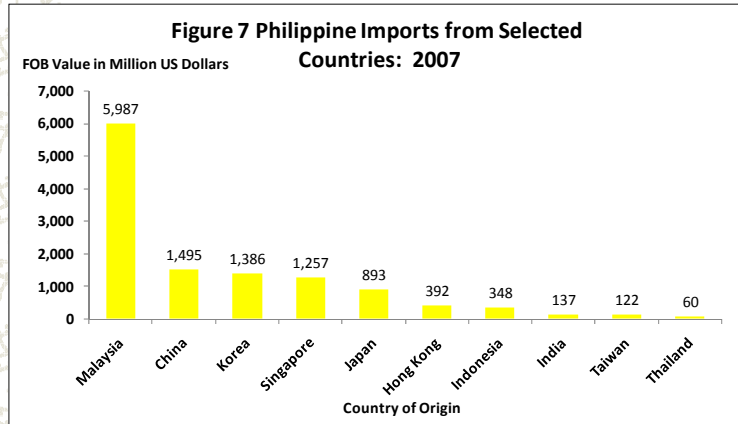


Sources : Philippine National Statistics Office  
2007 Special Survey of Imported Commodities



28

## 2007 Special Survey on Imported Commodities

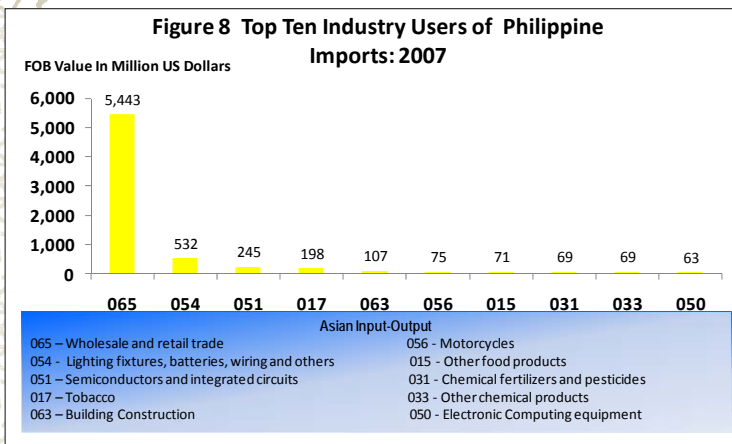


Sources : Philippine National Statistics Office  
2007 Special Survey of Imported Commodities



29

## 2007 Special Survey on Imported Commodities



Sources : Philippine National Statistics Office  
2007 Special Survey of Imported Commodities



30

