Introduction to ITD
Course Outline

- Mandate
- Organization
- ITD Sections
- Trade Concepts
- Data Flows & Processing
- Dissemination
- Balance of Payments
- Other Topics
The primary objective of this program is to measure the change in the stock of material resources of the country resulting from the movement of merchandise into or out of Canada.

The mandate of the division is to compile, analyze and disseminate consistent, integrated and timely estimates of Canada’s merchandise exports and imports by partner country and commodity as well as price and volume indices on imports and exports.
Organizational Structure of Statistics Canada

- Chief Statistician: Ivan Fellegi
- Director General: L.M. Ducharme
- Director: Craig Kuntz

Organizational Structure of ITD

- Director: C. Kuntz
- Assistant Director: B. Theriault

- Chief Systems: D. Duguay
- Chief Central Coordination: Interim C. Barrett
- Chief Data Assembly Section: W. Johnson
- Chief Monitor and Analysis: D. Ogden
- Chief Concepts and Liaison
- Chief Marketing and Client Services: S. Nevins
## Trade Concepts

<table>
<thead>
<tr>
<th>1) Data Quality</th>
<th>Customs vs. BoP</th>
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<td>2) Timeliness</td>
<td>5) Classification</td>
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<td>6) Valuation</td>
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<td>7) Quantity</td>
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<td>b) Exclusions</td>
<td>8) Partner Country</td>
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<td>4) Trade System</td>
<td>9) Confidentiality</td>
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</tbody>
</table>

- **Data Quality**
- **Timeliness**
- **Coverage:**
  - a) Inclusions
  - b) Exclusions
- **Trade System**
Trade Data Quality Statement

- The quality of statistics should be judged by its ability to satisfy users’ information needs.

- Statistics on a particular subject should provide a reasonable and timely measure of the real world economic events to which they relate.
Timeliness

- The reference period is the calendar month and the calendar year. The closing of the statistical month for imports and exports is defined as the last calendar day of the month, based as closely as practicable on the date of clearance from Customs.
- Published Trade Data is available to the public by 6 weeks following the end of a reference month in a variety of electronic and print media.
Coverage

- Merchandise trade should record goods that add to, or subtract from, the material resources of Canada.
- CBSA records all goods that come into, or leave Canada.
- Therefore, some things must be included, others excluded as not everything that enters or leaves affects Canada’s stock of material resources.
Inclusions (examples)

- ‘Normally’ imported/exported goods
- Consignment goods
- Processing goods
- Humanitarian aid
- Financial leases
- Non-monetary gold
- Inter-company transfers (parent/subsidiary)
- Etc.
Exclusions (examples)

- Temporary goods
- In-transit goods
- Operational leases
- Monetary gold
- Banknotes, securities, coins, in circulation
- Waste & scrap (no positive value)
- Etc.
Trade System Differences

- The United Nations defines two types of trade systems: General & Special
- Canada uses the **General System**
- Major differences:

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Special</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statistical frontier</td>
<td>Geographical Boundary</td>
<td>Customs Boundary</td>
</tr>
<tr>
<td>\text{In}^{1}\text{-warehouse}</td>
<td>Include</td>
<td>Exclude</td>
</tr>
<tr>
<td>\text{Ex}^{2}\text{-warehouse}</td>
<td>Exclude</td>
<td>Include</td>
</tr>
</tbody>
</table>

1: Refers to goods being entered into a Customs Bonded Warehouse.
2: Refers to goods being withdrawn from a Customs Bonded Warehouse.
**Customs vs. BoP**

- Generally, Customs based data refers to trade statistics based on data collected by a Customs agency;
- In Canada, Balance of Payment (BoP) data are derived from Customs based data and adjusted to better conform with Systems of National Accounts requirements and principles.
ITD Classification Systems
(past & present)

Used as a basic analytical tool to classify goods, industries and geographic areas.

Commodity Classifications:
- Import Commodity Classification (MCC)
- Export Commodity Classification (XCC)
- Summary Import Groupings (SIG)
- Summary Export Groupings (SEG)
- Principal Commodity Groups (PCG)
- Canadian International Trade Classification (CITC)
- Standard Classification of Goods (SCG)
- Harmonized Commodity Description and Coding System (H.S.)
- Standard International Trade Classification (SITC)

Industry Classifications:
- Standard Industrial Classification (SIC)
- North American Industry Classification System (NAICS)
Classifications

Commodity

- The MCC was the principal classification used by ITD for import statistics from 1964 to 1977.
- The CITC was derived from the MCC – adds 2 digits for detail. Divides commodities according to their stage of fabrication. Used from 1978 to 1987.
- The XCC was the classification system for export statistics used from 1961 to 1977.

Industry

- SIC developed in 1948. Industries broken down by Division, Major Group, Industry Group and Industry Class
- NAICS developed by the statistical agencies of Canada, Mexico and the United States and finalized in 1996. Consists of sectors, sub sectors, industry groups and industries.
# ITD’s Classifications

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>MCC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1966 - 1987</td>
</tr>
<tr>
<td>XCC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1966 - 1987</td>
</tr>
<tr>
<td>SIG/SEG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1966 - present</td>
</tr>
<tr>
<td>CITC</td>
<td></td>
<td></td>
<td></td>
<td>1972 - 1987</td>
<td></td>
</tr>
<tr>
<td>HS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1988 - present</td>
</tr>
<tr>
<td>SITC Rev 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1988 - 2001</td>
</tr>
<tr>
<td>SIC 80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1980 - 2001</td>
</tr>
<tr>
<td>NAICS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1997 - present</td>
</tr>
</tbody>
</table>
Beginning in January 1988, ITD classifies import and export statistics according to the Harmonized Commodity Description and Coding System (H.S.).

This is an international commodity 6 digit classification system.

Commodities are classified, in some cases, according to their principal component material.

Imports
- Approximately 19,000 10 digit H.S. codes used
- Canadian version adds 4 digits to the 6 digit international code
- For tariff purposes, a 7th and 8th digit were added
- For statistical purposes, a 9th and 10th digit were added

Exports
- Approximately 6,000 8 digit H.S. codes used
- Canadian version adds 2 digits to the 6 digit international code
- For statistical purposes, a 7th and 8th digit were added
HS Code Structure

IMPORTS

Header: Fish, fresh or chilled...

Sub-header: Atlantic, Pacific or Danube Salmon

03 02.12 .00 .40

Statistical Suffix: Spring

Tariff Item (zeros)

Chapter: Fish & crustaceans, molluscs & other aquatic invertebrates

≈ 19,000 Codes

International Canadian

EXPORTS

Header: Fish, fresh or chilled...

Sub-header: Atlantic, Pacific or Danube Salmon

03 02.12 .40

Statistical Suffix: Pink

Chapter: Fish & crustaceans, molluscs & other aquatic invertebrates

≈ 6,000 Codes

International Canadian
H.S. Chapters 98 and 99

- These chapters are reserved for special classification provisions.
- There are no standard codes or definitions used – each country determines which commodities and corresponding H.S. codes will be included in Chapter 98 and 99.
- In Canada, Chapter 98 is used for the classification of transactions that are not classified by commodity as well as transactions that do not have an international financial implication.
- Chapter 99 is reserved for transactions that, (inter alia), are confidential or have a small value.
Imports Chapter 99

There are two import chapter 99s:

- Customs: uses this chapter to reduce tariff rates

  Example:
  8802.60.10.00  Satellites  - 6.5% (MFN*)
  9950.00.00.00  Satellites for testing  - Free
  Only the 1st 4 digits of the chapter 99 tariff code are shown on an import entry

- Statistics: used for publishing statistical data

  Example:
  9901.00.00.00  Low value and confidential goods

*MFN = Most-Favoured-Nation (tariff treatment)
Concordances are prepared to assist users of commodity statistics to compare data based on different classification systems and to link data.

Canada – U.S. Concordances

- As part of the MOU, Canadian Export data are derived from U.S. Import data and vice versa.
- As a result, ITD must convert U.S. imported H.S. (10 digit) commodities to Canadian export HS (8 digit) commodities. Concordances are used for this purpose.
Intermission
Valuation

- World Trade Organization (WTO) principle used (Transactional Value)
  - Imports:
    - Free on Board (FOB) Point of Direct Shipment
  - Exports:
    - Free on Board (FOB) Border
Quantity

- Import & Export quantities collected using ISO codes
- Data published with Alpha ISO codes
- Internal numeric codes on files

Example:
ISO code: Number = NMB
ITD Numeric code: 100
Quantity Coverage

- Not all codes have quantities.

Coverage is:
- 6 digit level:
  - Imports - 75%
  - Exports - 68%

(2007 Data Year)
Partner Country

- Imports: country of origin
  - (goods grown, extracted or produced)
  - Country of shipment available

- Exports: country of last known destination
  - Domestic Exports (grown, extracted or produced in Canada)
  - Re-exports (foreign goods that are re-sold outside Canada)
  - Total Exports (Domestic + Re-exports)

- Codes:
  - Collected using ISO Alpha (e.g. United Kingdom = GB)
  - ITD numeric codes also used (e.g. United Kingdom = 101)
SECRECY

- Prohibition against divulging information

17. (1) Except for the purpose of communicating information in accordance with any conditions of an agreement made under section 11 or 12 and except for the purposes of a prosecution under this Act but subject to this section,

(a) no person, other than a person employed or deemed to be employed under this Act, and sworn under section 6, shall be permitted to examine any identifiable individual return made for the purposes of this Act; and

(b) no person who has been sworn under section 6 shall disclose or knowingly cause to be disclosed, by any means, any information obtained under this Act in such a manner that it is possible from the disclosure to relate the particulars obtained from any individual return to any identifiable individual person, business or organization.
Exceptions

- Exception to prohibition

(2) The Chief Statistician may, by order, authorize the following information to be disclosed:

(a) information collected by persons, organizations or departments for their own purposes and communicated to Statistics Canada before or after May 1, 1971, but that information when communicated to Statistics Canada shall be subject to the same secrecy requirements to which it was subject when collected and may only be disclosed by Statistics Canada in the manner and to the extent agreed on by the collector thereof and the Chief Statistician;

(b) information relating to a person or organization in respect of which disclosure is consented to in writing by the person or organization concerned;

(c) information relating to a business in respect of which disclosure is consented to in writing by the owner for the time being of the business;

Requests for confidential information must always be referred to the ITD Confidentiality Focal Points (Chief: Concepts and Liaison or Chief: Marketing and Client Services)
Duffett Rules

- The Duffett Rules provide the basic rules of confidentiality to be applied to company - establishment data;

- The rules are, in themselves, confidential;

- Sets out the counts of firms or percentage shares of data cells as the conditions under which data may be considered confidential;

- The ITD Confidentiality Manual is the basic ITD reference and gives practical advice on the application of confidentiality requirements to govern ITD activities.
Confidentiality

What is confidential?

Extracted from the ITD Confidentiality Manual:

**GCR 1:** Entity: “Any information revealing an individual entity’s activities…cannot be disclosed to anyone not sworn in under the Statistics Act, except as described in Rule 3’

**GCR 3:**” Confidential information may be returned to the supplier (or its agent) provided it is returned in the same form as received by ITD…”

GCR = General Confidentiality Rule
Data Suppression

Two Methods:

- **Active**: data are reviewed prior to release;
- **Passive**: data are released until ITD is notified that it is confidential (ITD verifies);
- ITD uses Passive Suppression (except for the Importer/Exporter Registries).

Three types of suppression:

- **Commodity suppression**: data are re-coded to 99.01;
- **Quantity suppression**: quantities suppressed;
- **Country suppression**: data are re-coded to ‘other’ country.
Data Flows & Processing

- Exports
  - Data Exchange
  - Sources
  - Flows
  - Processing
- Imports
  - Flows
  - Processing
- ITD file structure
Basic ITD Flows

Imports to Canada

Importer

CBSA

Data transfer

NEB (via MCED)

Electricity & Nat. Gas

Exports to U.S.
data exchange

Exports to non-U.S. destinations

Canadian Exports

USCB

7501

USCBP

CAED & G7

Summary

Exporters

ITD

Data Supplements CWB & CGC

CBSA – Canada Border Services Agency

CAED – Canadian Automated Export Declaration

ITD – International Trade Division

USCB – U.S. Census Bureau

USCBP – U.S. Customs Border Protection (U.S. Customs)
EXPORTS to the U.S.*
Data Exchange

* U.S. includes Puerto Rico and Virgin Islands
Two Processing Streams

Exports – non-U.S.

- B-13A
- CAED
- G - 7
- Low Value
- Summary

Exports – U.S.

Non-U.S. Data Sources

- Total Non US
- B13a
- CAED
- G7
- LowVal
- Summary
Non-U.S. Exports – Count & Value

Count

Non-U.S. Exports - By Count

Value

Non-U.S. Data Sources
Exports – All Flows

CAED – Canadian Automated Export Declaration
ITD – International Trade Division
USCB – U.S. Census Bureau
USCBP – U.S. Customs Border Protection (U.S. Customs)

CWB – Canadian Wheat Board
CGC – Canadian Grain Commission
NEB – National Energy Board
MCED – Manufacturing, Energy & Construction Division
7501 – U.S. Import Declaration
B-13A – Canadian Export Declaration

NEB (via MCED)
Exports to U.S. data transfer
U.S. imports from Canada
CAED & G7
Data Supplements (CWB & CGC)
ITD
Exports to non-U.S. destinations
USCB
USCBP

Electricity & Nat. Gas

Summary

edit
edit

B-13a
CAED & G7
Exports Process

U.S. Process
4 transmissions + corrections (bloopers)

Cut 1
Conversion
U.S. HS10 – CA HS 8
Prov of Origin, MOT

Cut 2
Validation

Cut 3 NatGas Elec.
Combination Edit
UOM/Qty, HS/Trade Code

Cut 4
Listing
High Value Failures >threshold

Metadata (XAE)

Final U.S. Peel
(after Cut 4)

Non-U.S. Process

B13A
Capture
(Prelim)
Non-U.S. Peel
(Final)

Summary Reporters

CAED & G7
Edits / Imputes
Manual Review

Final Peel
Raw
Adjust
Summary

Captured Peel
SMO's

Metadata (XAE)

U.S. Process
4 transmissions + corrections (bloopers)
Basic ITD Flows

Imports to Canada

CBSA – Canada Border Services Agency
CADEX – Canadian Automated Declaration Exchange
NEB – National Energy Board
ITD – International Trade Division
MCED – Manufacturing, Construction and Energy Division
Imports Processing
Weekly Prelim.

- CBSA Data
- New records
- Amendments

Pre-Processor
(Re-Format Records)

Rules

Validation

Set Flags

MAE2 Import Administrative Entities

Clipping (Unit Value Edit)
Micro Edit (e.g. HS/MOT MOT/Carrier)

Clean

Corrections

HS - Harmonized System
MOT – Mode of Transportation
PROV – Province
QTY - Quantity
UOM – Unit of Measure
Imports Processing Monthly

- From Clipping
- USBC Edits
- Prelim Peel
- Raw File
- Apply Confid.
- U.S. Transmission 1
Imports Processing
Monthly (Files)

- Raw Final
- Non-Confid
- Confid
- Adjusted Files
- Summary (Confid & Non-Confid)
- BoP Process
- Non-Confid Data

Prices Process

(Confid Data)
**ITD File Definitions**

<table>
<thead>
<tr>
<th>Raw</th>
<th>Adjusted</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Non-Trade data</td>
<td>Trade and Non-Trade data</td>
<td>Trade data only</td>
</tr>
<tr>
<td>Confidentiality not applied</td>
<td>Confidentiality applied</td>
<td>Confidentiality applied</td>
</tr>
<tr>
<td>Edited detail records</td>
<td>Adjusted records</td>
<td>Summarized data</td>
</tr>
</tbody>
</table>

- **Adjustments**
  - Recode mode of transport (pipeline and mail to other)
  - Wheat adjustment for exports – provincial distribution of value

- **Confidentiality**
  - Confidential classes and countries are recoded (i.e. Mongolia to China)

- **Revisions (Customs Basis)**
  - Current year – revised monthly
  - Previous year (Y-1) – revised Jan, Feb, Mar & quarterly
  - Further revisions (Y-1, Y-2, Y-3, Y-4) – revised annually
## Dissemination

<table>
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<th>1) Monthly Release: Daily</th>
<th>5) Requests</th>
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<td>2) Other Events on Release Day</td>
<td>6) Cost Recovery</td>
</tr>
<tr>
<td>3) Users</td>
<td>7) Client Relations</td>
</tr>
<tr>
<td>4) Products and Services</td>
<td>8) Promotion</td>
</tr>
</tbody>
</table>

BoP
Release in Daily

Monthly (monthly, quarterly, annual data)
Major Release prepared by Monitor & Analysis
Reviewed by Policy Committee
Pre-release given to Finance, the Privy Council and ITCAN
Press lock-up
Dates established in advance with the U.S.
Other Events on Release Day

CANSIM
Canadian International Merchandise Trade Database (CIMT)
World Trade Atlas
Various internal data extraction tools
E-Pub 65-001 (Canadian International Merchandise Trade)
Who uses this information

Information on imports and exports are used by:

- **Statistics Canada**
  - Inputs into the System of National Accounts (particularly the Balance of Payments and Gross Domestic Product); Input/Output; Agriculture Division; Manufacturing, Construction and Energy Division

- **Federal and Provincial Governments**
  - Finance, ITCAN ...

- **Outside Clients**
  - Importers, exporters, manufacturers, trade associations and shipping companies for market penetration studies; marketing opportunities; etc.

- **Foreign Governments and Agencies**
  - Embassies, UN, OECD
Products and Services

- Electronic Products
- Custom Products
- Publications
- Under development
Electronic Products

- World Trade Analyzer
  - International merchandise trade data between member countries of United Nations
  - From 1988 to 2005
  - SITC classification
Licensed Data

- World Trade Atlas (GTI)
- WISER – World Institute for Strategic Economic Research
## Custom Products

<table>
<thead>
<tr>
<th>Canadian</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>- over 40 years of data</td>
<td>- Adjusted United Nations data from 1987</td>
</tr>
<tr>
<td>- HS based 1988 to present</td>
<td>- 1987 to present</td>
</tr>
<tr>
<td>- variety of variables</td>
<td>- SITC (rev 2)</td>
</tr>
<tr>
<td>(including month, country, state, port,</td>
<td></td>
</tr>
<tr>
<td>mode of transport, NAICS, quantity, value</td>
<td></td>
</tr>
<tr>
<td>etc)</td>
<td></td>
</tr>
</tbody>
</table>
Custom Products (continued)

Exporter and Importer Registers

- Number of exporters/importers and value by industry (NAICS), size, country and province of residence
- Employment size for most current year
- 1996 – 2006 (Exports)
- 2002 – 2005 (Imports)
Custom Products (continued)

- Country Trade Profile
  - Brief profile of country’s two way trade for consecutive 5 year period

- Country Statements
  - Quantity and value for imports and exports at HS6 level for given country
Publications -- Monthly

- 65-001
  - Release Day
  - Electronic
Publications -- Occasional

- 65-208
  - International Merchandise Trade Annual Review
  - PDF & HTML

- 65-209
  - Canadian Export Classification
  - PDF

- 65-506
  - A Profile of Canadian Exporters
  - PDF

- 65-507
  - Canadian Trade Review
  - PDF & HTML
Under development

- Canadian International Trade Statistics Concepts Manual (Public Version)
  
  Manual highlights various concepts & definitions used in the compilation and dissemination of international merchandise trade statistics.
Requests – how do people get this stuff?

a) Standing Order
(Monthly, Quarterly, Semi-Annual, Annual)

Subscribe to regular tabulations as per their requirements

b) Ad-hoc

For a particular study, trade disputes, 9-11 research, academic/policy research
Cost Recovery

- “Public good data” – free
- ‘Strategis’/ Trade Data On-Line (Industry Canada)
- Basic Requests: Canadian International Merchandise Trade database (CIMT) and Cansim (minimal fee)
- Customised Requests
  - Specifications are received from clients
  - Cost/Time estimates are provided by MCSS
    - Factors that help determine the cost of a request are complexity, level of detail, frequency, etc.
Effective communication with clients is a continuous interactive process based on dedication, trust and hard work.

- Email: trade@statcan.ca

- Two databases
  - Act (the “secretary”)
  - CLIREQ (the “accountant”)

- Sales Team, Technical Support, Regional Office

- Shipping and invoicing
Promotion

In recent years, we had limited promotional activities.

New approach:
We sell information to assist in business and economic decision making. We want to partner with our users to realize the best potential in the use of that information.

Getting the word out “push” versus “pull”.

- Promotional magazine ads
- Google Ads
- Trade shows
- Liaison (Natural Resource Canada (NRCAN), Agriculture and Agri-Food Canada (AAFC), etc.)
- People find us (The Daily or newspapers)
- Internet – links from many sites
- ITD Intranet site

Regional Office teams = extension of the home division’s client service team.
Balance of Payments

Two data series:

- **Customs Based**
  - Derived from Customs administrative data

- **Balance of Payments (BoP)**
  - Derived from Customs based data
  - Closer conformity to System of National Accounts (SNA) concepts
Customs Vs BoP Basis

- **Customs Basis:**
  - Change in material stocks
  - Based on physical movement

- **BoP Basis:**
  - Transactions between residents and non-residents
  - Involves ‘Change of Ownership’
BoP Principles

Measures economic transactions between residents and non-residents;

- **Transactions**: economic flow reflecting the creation, transformation, exchange, transfer or extinction of economic value;
  - (Not necessarily a payment);

- **Resident**: center of economic interest within an economic territory engaging in economic activities/transactions of a significant scale;

- Involves **change of ownership** of goods or assets, services or provision of labour or capital;
Example

Non-monetary gold sold by a Canadian company to a foreign company (investor). The gold remains in Canada.

**Customs basis:** no trade

**BoP basis:** trade (change of ownership to a non-resident)
## Main Differences (Goods) – Customs Vs BoP

<table>
<thead>
<tr>
<th></th>
<th>Customs</th>
<th>BoP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travellers’ goods</td>
<td>Include (significant scale)</td>
<td>Exclude (service)</td>
</tr>
<tr>
<td>Returned goods</td>
<td>Include</td>
<td>Exclude (deduct imp &amp; exp)</td>
</tr>
<tr>
<td>Migrants’ effects</td>
<td>Include (significant scale)</td>
<td>Include all</td>
</tr>
<tr>
<td>Fish catch, seabed minerals (national vessel in foreign port or high seas)</td>
<td>Exclude</td>
<td>Include</td>
</tr>
<tr>
<td>Bunkers, stores, ballast, etc</td>
<td>Exclude</td>
<td>Include</td>
</tr>
<tr>
<td>Lost/destroyed goods (shipped but not received)</td>
<td>Imports – exclude</td>
<td>Include if ownership changed</td>
</tr>
<tr>
<td></td>
<td>Exports – include if ownership NOT changed; Exclude if changed</td>
<td></td>
</tr>
<tr>
<td>Mobile equipment – sold abroad</td>
<td>Exclude</td>
<td>Include</td>
</tr>
<tr>
<td>Goods for repair</td>
<td>Exclude</td>
<td>Include (exc. Construction, computing, maintenance in ports/airports [service])</td>
</tr>
<tr>
<td>Smuggled goods</td>
<td>Exclude</td>
<td>Include</td>
</tr>
<tr>
<td>Project goods by non-resident</td>
<td>Include</td>
<td>Exclude (project = service)</td>
</tr>
<tr>
<td>Merchanted goods</td>
<td>Exclude</td>
<td>Exclude (generally)</td>
</tr>
<tr>
<td>(goods purchased by resident, re-sold but not entering Canada)</td>
<td>Include-bought not re-sold (Import) Include-re-sold in diff. accounting period – Negative import</td>
<td></td>
</tr>
</tbody>
</table>
Considerations

- **Limitation**: Customs data – no change of ownership info (when, where)

- **BoP Proxies**:
  - **When**: Time of border crossing used instead of time of financial recording (accrual basis proxy)
  - **Where**: Country of shipment used instead of country of origin (imports)
## Table 1
### Summary of balance of payments adjustments

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Petroleum</td>
<td>Crude petroleum</td>
</tr>
<tr>
<td></td>
<td>Natural gas</td>
<td>Mail addition</td>
</tr>
<tr>
<td></td>
<td>Undercoverage (Non U.S.)</td>
<td>Undeclared tobacco addition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Custom software deduction</td>
</tr>
<tr>
<td>Timing</td>
<td>Grains</td>
<td>Late documents, automotive, parts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inland freight valuation</td>
<td>Inland freight addition</td>
<td>Inland freight addition</td>
</tr>
<tr>
<td>Other valuation and residency</td>
<td>Freight and discount deductions (valuation)</td>
<td>Freight deduction (valuation)</td>
</tr>
<tr>
<td></td>
<td>Petroleum (valuation)</td>
<td>Non-monetary gold addition (residency)</td>
</tr>
<tr>
<td></td>
<td>Pre-packaged software U.S. addition (valuation)</td>
<td>Country of shipment (residency)</td>
</tr>
<tr>
<td></td>
<td>Non-monetary gold addition (residency)</td>
<td></td>
</tr>
</tbody>
</table>
Export Under Coverage

- A BoP adjustment is made for trade to Non-U.S. countries for which export customs documents have not been received.

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$16.8b</td>
</tr>
<tr>
<td>2001</td>
<td>$15.9b</td>
</tr>
<tr>
<td>2002</td>
<td>$15.5b</td>
</tr>
<tr>
<td>2003</td>
<td>$15.4b</td>
</tr>
<tr>
<td>2004</td>
<td>$14.5b</td>
</tr>
<tr>
<td>2005</td>
<td>$13.0b</td>
</tr>
<tr>
<td>2006</td>
<td>$13.9b</td>
</tr>
<tr>
<td>2007</td>
<td>$15.3b</td>
</tr>
</tbody>
</table>
# Reconciliation Table - Customs to BoP

## EXPORTS

(millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec</td>
<td>Nov</td>
</tr>
<tr>
<td>Customs Basis</td>
<td>32,575</td>
<td>35,885</td>
</tr>
<tr>
<td>BoP Adjustments</td>
<td>2,486</td>
<td>2,223</td>
</tr>
<tr>
<td>Valuation &amp; Residency</td>
<td>503</td>
<td>525</td>
</tr>
<tr>
<td>Inland freight</td>
<td>-151</td>
<td>-322</td>
</tr>
<tr>
<td>Other valuation &amp; res.</td>
<td>480</td>
<td>94</td>
</tr>
<tr>
<td>Coverage</td>
<td>35,061</td>
<td>38,108</td>
</tr>
<tr>
<td>BoP Basis</td>
<td>38,212</td>
<td>36,903</td>
</tr>
</tbody>
</table>
**Summary – Customs Vs BoP**

**Customs Basis**
- Most frequently requested data
- Provides full commodity & country detail
- Covers the physical movement of goods as reflected on Customs documents

**Balance of Payments Basis (BOP)**
- Adjusted data (e.g. trade coverage, definition, valuation and timing)
- Country detail: U.S., Japan, EU, Other OECD, Other
- Commodity detail: 64 categories
- Conforms with National Accounts concepts and definitions
- Intended to cover all economic transactions between residents and non-residents which involve merchandise trade
Contacts

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