

B. Data sources and measurement approaches

28.8. *Price and unit-value indices.* There are three kinds of indices that can be produced to reflect prices for imports and exports: unit-value indices that are based primarily on customs documents, price indices that are based on survey data and “hybrid” indices that combine both customs records and survey data.^[1] Although price indices are generally preferred on methodological ground, in practice, countries may not have the resources available to compile that information. Many countries compile only unit-value indices or survey-based price indices, while others use both approaches in a complementary manner.

28.9. *Alternative data sources.* The main options available in terms of data sources are the use of customs records, the implementation of specific surveys of exporters and importers, and the taking advantage of other established domestic-price surveys. Additional alternatives include relying on other data providers such as commodity boards and associations of exporters and importers, and utilization of price indices of partner countries as proxy or supplementary indicators.

28.10. *Advantages of data from customs records.* An important advantage of average unit values is that they effectively increase the number of price observations used to calculate the index, thereby reducing sample variance. Although the customs source often excludes transactions of very low value and/or volume, as well as special transactions (e.g., those that are kept confidential on the grounds of national security, etc.), they often provide an almost full coverage of the transactions on which the target population of a foreign trade index should be based on and are more frequently updated than most other data sources. Also, when the statistical agency has access to individual customs records, working with detailed data can support the compilation of trade indicators at the microeconomic level for various analytic purposes, especially when linked to other statistical sources through business registers.

28.11. *Advantages of data from direct price surveys of imports and exports.* There are various advantages often associated with the use of survey data for the estimation of foreign trade indices. One such advantage is the improved possibility of controlling ex ante for potential biases and variability due to non-price factors, including changes both in the mix of products in the market basket and in the quality of the items being priced. Also, through direct surveying of exporting and importing firms, the risk of using erroneous data (e.g., due to misclassification) can be mitigated, granted that there are appropriate communication channels for providing guidelines and feedback to respondents. Moreover, depending on the details collected from survey respondents in terms of product specifications and attributes, survey data open the possibility of carrying out quality adjustments using, for instance, hedonic methods. Further potential advantages of price surveys include improved timeliness, as in some countries price data from surveys are available earlier than unit values from customs records, and improved coherence with other price indices (such as producer, construction, wholesale/retail and consumer price indices).

[1] For detailed information on external trade price indices and unit values, see *Export and Import Price Index Manual: Theory and Practice* (Washington, D. C., International Monetary Fund, 2009). Available from <http://www.imf.org/external/np/sta/xipim/pdf/xipim.pdf>.